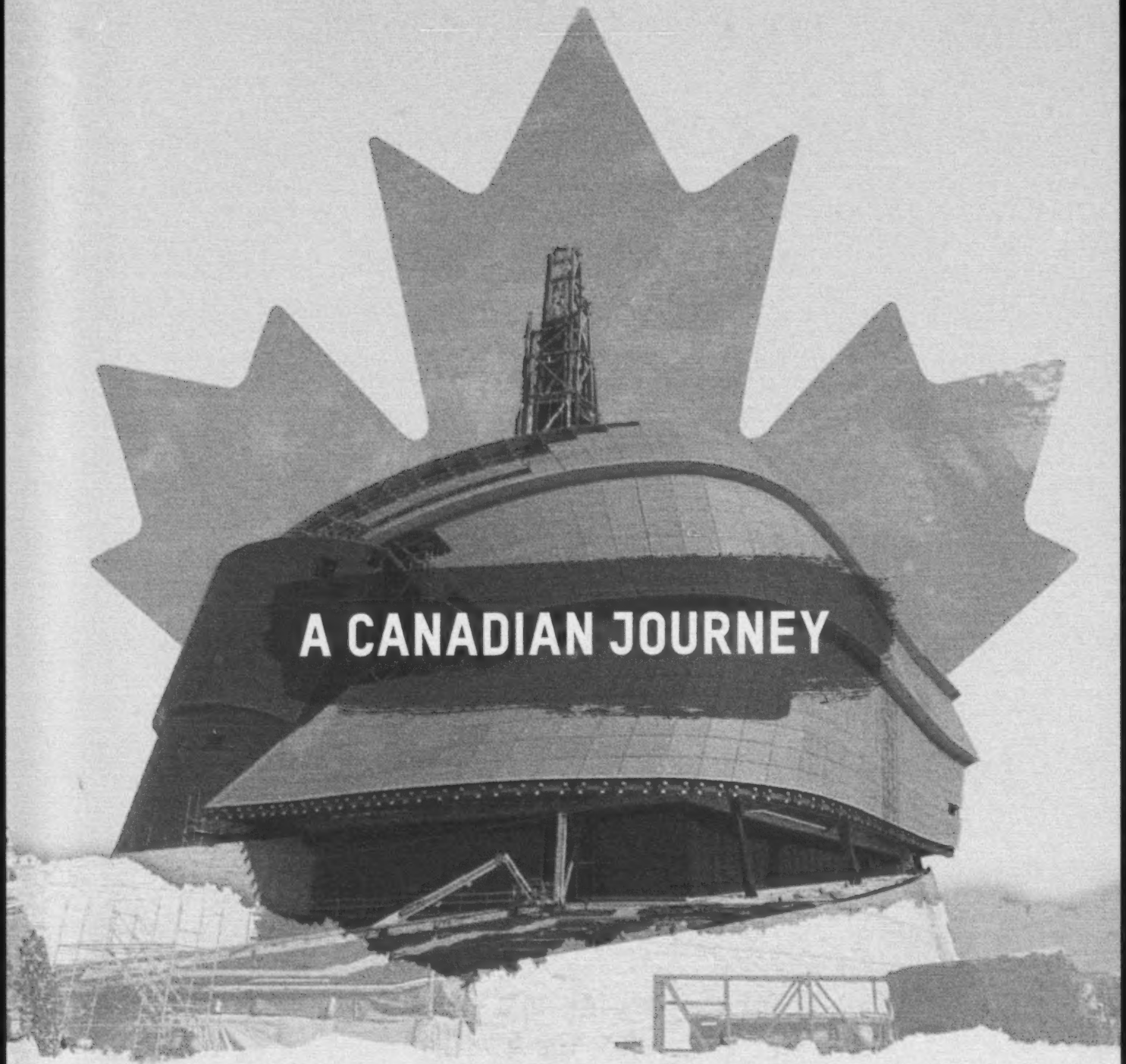

A CANADIAN JOURNEY

Canadian Museum FOR HUMAN RIGHTS
Musée canadien pour les droits de la personne

Canada

CMHR Annual Report 2011-2012
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ABOUT THE MUSEUM

The Canadian Museum for Human Rights (CMHR) is the first museum solely dedicated to the evolution, celebration and future of human rights in Canada. Our aim is to build not only a national hub for human rights learning and discovery, but a new era of global human rights leadership.

We will engage Canadians and our international guests in an immersive, interactive experience that offers both the inspiration and tools to take a stand for human rights. We will welcome our visitors as partners on a journey to erase barriers and create meaningful, lasting change in the lives of others.

The Canadian Museum for Human Rights is the first national museum to be established in nearly a half-century and the first outside the National Capital Region. As we build our home at the heart of the continent, we are founding a new conversation focused on building a strong future for Canada and a better world.

MESSAGE FROM OUR INTERIM CHAIR

Canada's tenth Prime Minister famously remarked that if other countries had too much history, Canada was a nation with too much geography. Seventy-five years have elapsed since those words were spoken in our House of Commons, yet few Canadians would dispute their relevance even today.

We remain a nation relatively small in number, but with a stature that mirrors the space between our borders. The expanse of our geography, as ever, often translates into figurative and literal distance between us. Yet we manage our differences, however imperfectly, with a collective insistence that we be together known by one nationality - Canadian - both in spite of and in light of our identification with the often vastly different parts of Canada that comprise our confederation.

That we may find unity among our differences, whether differences of geography or ethnicity or language or political persuasion, is the story of Canada. That we may find common purpose in those differences - differences that may at first glance seem irreconcilably profound - is the story of the Canadian Museum for Human Rights.

As a nation, we have distance yet to travel before each of our citizens sees the full expression of their rights wholly realized. Yet my own experience tells me the Canadian Museum for Human Rights is our nation's best hope to dissolve those barriers that still remain.

By day, I am Chief Financial Officer of an energy company based in Calgary. Yet as a supporter of the CMHR, I share common purpose with the inspiring young PhD student in Montreal who gives of her time to serve on the Museum's Inclusive Design Advisory Council. And the teacher in Halifax so invested in helping shape the Museum's educational programming. And the young First Nations man in Winnipeg whose irrepressible energy makes him a vital member of the Museum's team of youth advisors.

I don't purport to have uncommon mutuality with these remarkable individuals, but this is the point. The Canadian Museum for Human Rights brings Canadians together in common cause, so that we may then learn from one another, inspire one another, and build a future for our country together with a shared vision of a truly inclusive Canada where the rights of all are fully realized.

Is there any other project in recent memory that has brought such a rich diversity of Canadians together for so noble an aim?

The Canadian Museum for Human Rights continues to traverse its own often formidable challenges, be they economic or related to our exhibits and programming. Resolution of those challenges has marked much of our focus over the past year.

Yet we know our procession will ultimately be successful and, ultimately, will change history. We know this because Canadians, from every corner of this vast country, have committed themselves to making it so.

Eric Hughes
Interim Chair, Board of Trustees

The Board of Trustees extends its deepest appreciation for the guidance and commitment of the Museum's founding Chairperson, Arni Thorsteinson, whose tenure as Chair ended December 31. One of Canada's best-recognized investors, Mr. Thorsteinson has been a foremost champion of the Museum since the project's inception. Apart from serving as the Museum's inaugural Chair, Mr. Thorsteinson is a major donor to the Friends of the CMHR and will continue to serve the Museum in a fundraising capacity. Eric Hughes, formerly the Museum's Vice-Chairperson, continues to serve as interim Chair.

MESSAGE FROM OUR PRESIDENT AND CEO

As you read this, the stunning exterior of the Canadian Museum for Human Rights stands nearly complete. A sweeping expanse of glass now envelopes the building, true to architect Antoine Predock's celebrated design. The iconic Tower of Hope has come into form, already a new national symbol of opportunity and possibility.

Still, even as this arresting structure comes to life, the question remains ever relevant: Why? Why is a distinctly Canadian museum dedicated to human rights so critically needed? What gap does it fill? Whose lives might it change?

I contemplate this often as we challenge ourselves each day to craft a museum that will earn Canadians' trust and garner their pride. For me, the answer rests in an anecdote shared by one of the Museum's founders: an image of hundreds of Canadian high school students on a visit to Washington, all of them eagerly lining up for a glimpse of the Declaration of Independence and other exhibits central to the founding of American democracy.

I applaud those students for their zeal and passion to learn all they could about a monumental event. But the anecdote induces us to ponder where in Canada we gather to tell the story of our own democratic evolution. It invites us to ask where we come together as Canadians to explore the rights, responsibilities and freedoms, challenges and struggles that have shaped our own culture. Most importantly, it causes us to query where it is that we can converge as Canadian citizens to shape future chapters of our own history; where we can together chart a course for Canada that celebrates and protects the rights, freedoms and opportunities to which every citizen is entitled.

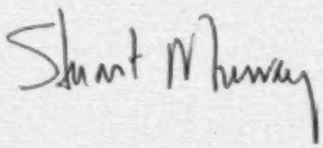
Today, Canadians are building that place. As the striking exterior of the Canadian Museum for Human Rights takes on its final form, a truly national exercise in giving shape to the Museum experience continues to unfold.

We applaud the thousands of Canadians who have now joined us along the way. The Canadian Museum for Human Rights is an unprecedented undertaking, made possible only by the insight, conviction and generosity of thousands of Canadian citizens from every walk of life.

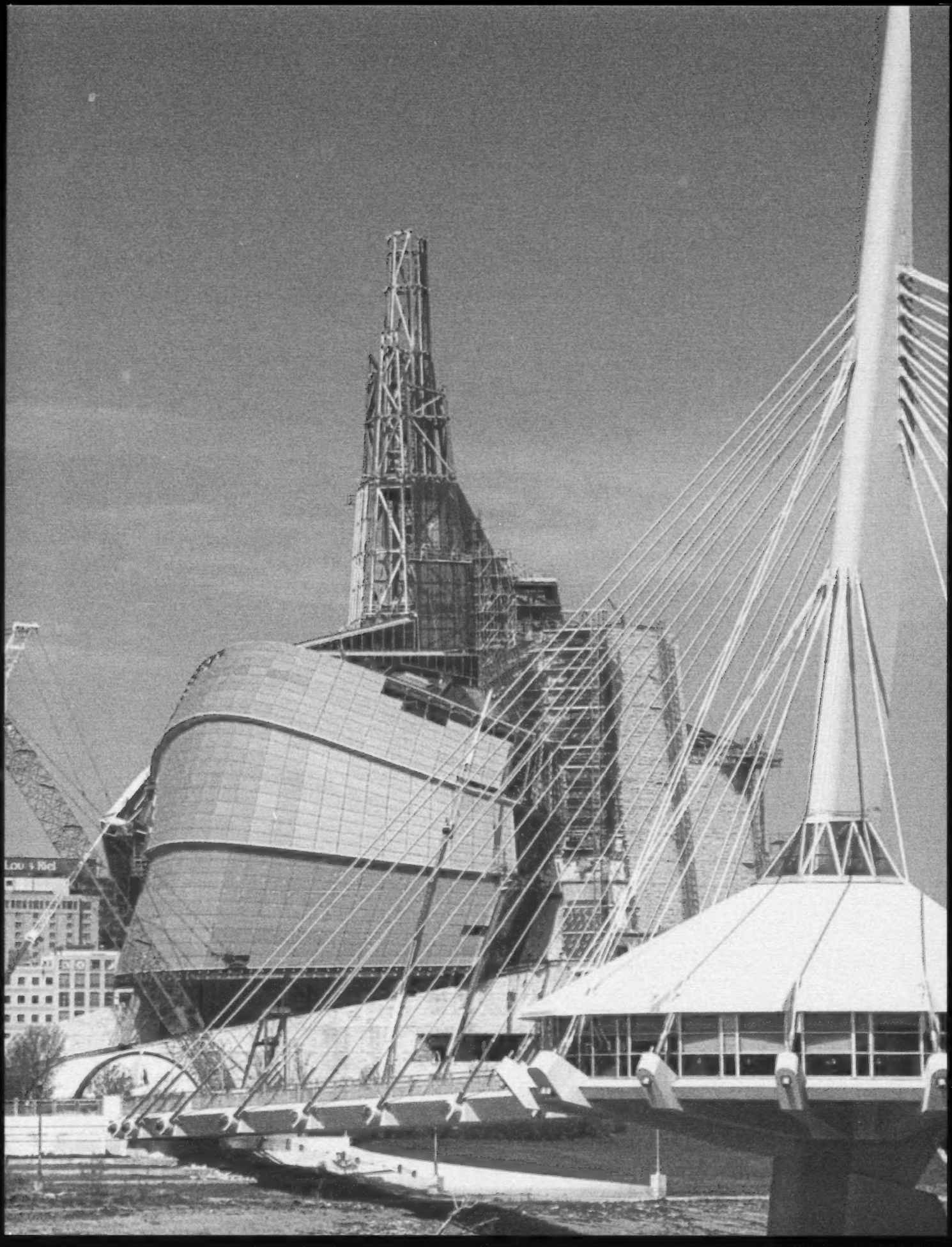
The process of building a national institution solely dedicated to a subject that touches the very heart of who we are -- both as individuals and as a nation -- is not easy. Yet as with any worthwhile journey, the view that instills the most pride comes only as a product of a challenging climb.

With each new step Canadians have taken together, a view that is uniquely Canada's is now within sight.

Stuart A. Murray
President and Chief Executive Officer



The Museum's President and CEO welcomes Gilles Hébert to the position of Vice-President, Museum Practice. Mr. Hébert will have senior responsibility for leading the Museum's exhibit team and overseeing educational programming. Mr. Hébert has held senior positions among recognized cultural organizations across Canada during a career that has spanned 25 years in the arts. Born in St. Boniface, Manitoba, Hébert is a recipient of the Queen's Jubilee Gold Medal and the University of Manitoba's Faculty of Arts Celebrated Alumni Award.



PRESIDENT AND CHAIR

Year in Review

On a bright day the Canadian Museum for Human Rights takes on a remarkable luminance. The Museum's ribbons of glass catch the sun and reflect the colour of the prairie sky.

For the Museum's trustees, staff and visitors to our construction site, this is a new phenomenon.

Just a few short months ago the Museum was still sheathed in steel; the exterior glazing yet to begin. Now, visitors to the building site marvel at the interplay between the design elements as the Museum stands nearly complete.

The realization of our physical building is the Museum's most visible milestone of the past year, although fiscal 2011-2012 has been a year of accomplishment in many areas. We've made tremendous strides in the development of our exhibits and content. We've fostered new partnerships with schools and universities, human rights organizations and even other nations. We've developed new digital tools that will not only dramatically enhance the visitor experience but will improve the way we share information and data beyond the Museum's doors.

Our work over the past year has reflected our commitment to consultation and inclusivity. We've built on our unprecedented public engagement exercise by expanding dialogue with ethnocultural organizations, community leaders and our Aboriginal partners. As our exhibit plans began to take form, we moved forward on a rigorous process of academic peer review. In December, we held our first Annual Public Meeting.

Perhaps the Museum's greatest achievement of the past year was the remarkable progress we made while also navigating challenging waters.

In the last quarter of 2011, we announced that unexpected challenges, largely driven by a need for additional structural steel, would have significant implications for our capital budget. After a detailed review and third-party assessment of our strategic plan, we revised our total capital budget to $351 million.

A disciplined program of fiscal restraint helped ensure the Museum was on firm footing to weather these challenges as well as the wider realities of a global economic slowdown. As we detail in this year's report, the CMHR realized over $10 million in operating reductions this fiscal year, spending $11.7 million of a $21.7 million budget.

We salute the Friends of the Canadian Museum for Human Rights for taking the helm in this next stage of our fundraising journey undaunted. Friends is already recognized for leading one of the most successful private fundraising campaigns of its kind in Canada's history and we wish them success moving forward.

Today, as we look back on a remarkable year we continue to move forward with optimism and determination. With our base building nearly finished, we shift our gaze to the work still to do as we move closer to the Museum's inauguration, and the most important phase of our journey yet.

CORPORATE GOVERNANCE

The Canadian Museum for Human Rights is a Crown corporation established by the *Museums Act* and operates at arm's length from government in its day-to-day operations, activities and programming.

Mandate

Established by the *Museums Act*, our mandate is, "To explore the subject of human rights, with special but not exclusive reference to Canada, in order to enhance the public's understanding of human rights, to promote respect for others and to encourage reflection and dialogue." The Museum is governed by the control and accountability regime established under Part X of the *Financial Administration Act*. The Museum is required to comply with a range of provisions in other statutes, including the *Federal Accountability Act*; the *Access to Information Act*; the *Privacy Act*; the *Criminal Code of Canada*; the *Official Languages Act and Regulations*; and the *Canada Labour Code*.

Under the *Museums Act*, the CMHR is governed by a Board of Trustees appointed by the Governor-in-Council. The Board of Trustees is independent from Management and provides strategic direction and oversight to the Corporation. The Board reports to Parliament through the Minister of Canadian Heritage and Official Languages. The Minister is also the link between the Museum and the Cabinet.

The roles and responsibilities of the Board of Trustees and its Committees are set out in the Museum's By-Laws and Terms of Reference. The *Museums Act* vests responsibility for the day-to-day management of the Museum in its Director as the CEO of the Corporation. Management is accountable for the day-to-day operations of the Museum, its long-term viability, and the achievement of its objectives.

Two new committees of the Board of Trustees were created in 2012 -- a Human Resources (HR) & Governance Committee and a Content Committee. The HR Committee will oversee CEO performance management, provide advice and guidance to management on HR matters and develop internal policies and assist in addressing ongoing training of Board members. The Content Committee will provide guidance to management to ensure the realization of the Board's vision of the visitor experience through exhibit content and museum programming. Each committee met multiple times in 2012. The new committees follow the creation of an Executive Committee in 2008 and an Audit Committee in 2009.

Vision

"To be an exceptional Canadian and international institution that provides Canadians and visitors with an understanding of the history of and continuing global struggle to defend human rights including Canada's important role in that journey; promotes respect for the dignity and rights of all citizens; encourages learning, debate, dialogue and scholarship on human rights issues; celebrates exemplars of the human spirit; and is a catalyst for positive individual action."

EXECUTIVE OFFICERS (from left to right)

President and Chief Executive Officer (CEO) Stuart A. Murray
Chief Financial Officer (CFO) Susanne Robertson, C.A.
Vice-President, Museum Practice Gilles Hébert

Values

OBJECTIVITY: The Museum's programs and exhibits will be informed by multiple perspectives and address human rights issues in a proactive, balanced fashion.

INNOVATION: The Museum will take advantage of the latest digital technologies and interactive design methodologies to ensure the richest experience for its audiences.

ACCESSIBILITY & INCLUSIVENESS: The Museum will be a welcoming place in both official languages for Canadians and visitors of all ages, genders, orientations, abilities, cultures and beliefs.

COLLABORATION: The Museum will be engaged with local, national, and global partners to achieve its mission.

ADVOCACY & SOCIAL RESPONSIBILITY: The Museum will be a voice for the promotion of human rights through its institutional programming and its engagement in the community.

ACCOUNTABILITY & TRANSPARENCY: The Museum will establish exceptional governance, corporate, and financial management regimes in the service of the public trust.

ENVIRONMENTAL STEWARDSHIP: The Museum building will be constructed to qualify for LEED Silver designation, and Museum operations will reflect a commitment to sustainable environmental practices.

The Museum welcomes the guidance of new Trustees Ms. Deena Granot, Ms. J. Pauline Rafferty, and Mr. John Fitzgerald Young. Appointed in May 2012, the Trustees will build on the contributions and leadership of Sen. Vim Kochhar, Dr. Yves Laberge and Mr. Bill Barkley who concluded their terms with the Board of Trustees. We thank the outgoing Trustees for their hard work and dedication to the CMHR and welcome the new board members.

BOARD OF TRUSTEES (As of March 2012, from left to right)

Interim Chair, Eric Hughes, C.A., Calgary, Alberta Chair, Audit Committee, Lisa Pankratz, F.C.A, C.F.A., Vancouver, BC
Trustee, Gail Asper, O.C., O.M., Winnipeg, MB Trustee, Bill Barkley, F.C.M.A., Victoria, BC* Trustee, Ronald Corey, O.C., Westmount, QC
Trustee, The Hon. Constance R. Glube, O.C., O.N.S., Q.C., Halifax, NS Trustee, Senator Vim Kochhar, O. Ont., O.M.C., Toronto, ON*
Trustee, Yves Laberge, Ph. D., Québec City, QC* Trustee, Lindy Ledohowski, Ph.D., Ottawa, ON Trustee, Dr. Wilton Littlechild, Hobbema, AB

*Term completed May 2012.

STRATEGIC DIRECTION 2011-2012

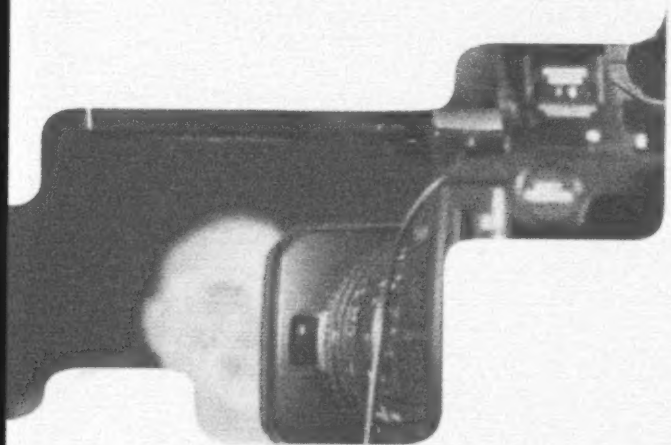
Key objectives set out in the program alignment architecture (PAA), originally established in 2008, continue to guide the Museum's planning and development. The Museum's accomplishments in each priority area are highlighted over the following pages.

MUSEUM CONTENT AND PROGRAM

OBJECTIVE: That the Museum's content and programming is objective, innovative and accessible and affects the way people think and behave towards the rights of others and that it is through ongoing community engagement.

KEY RESULTS:

- The Museum develops accessible, engaging and enriching exhibits that provide a range of perspectives — in both official languages — that promote reflection and dialogue, create an environment for change, and motivate visitors to take action to promote human rights.
- The Museum develops education, training, learning, and community programs that complement and reinforce its exhibits.
- The Museum develops a framework for sound research and scholarship.
- The Museum develops an approach to global outreach, engagement, accessibility and service.



PERMANENT BUILDING AND TEMPORARY ACCOMMODATION

OBJECTIVE: That all aspects of the Building Construction Project are managed in a fiscally sound, transparent, and accountable manner, ensuring environmental stewardship and employing effective project- and risk-management practices throughout.

KEY RESULTS:

- Decisions related to the building's design lead to the construction of an iconic facility that is appropriate to meet the Museum's mandate and objectives and will endure as a treasured landmark for generations.
- The building construction project is governed by an effective project management regime including a robust strategy to manage risks related to the project.
- The Museum engages the local Aboriginal community at appropriate times throughout the design and construction processes.
- Decisions related to the building (both capital and operational) are sound, are based on appropriate analysis and study, stand up to public scrutiny and provide for effective, long-term operational sustainability.
- Appropriate interim and permanent accommodations are provided.

STEWARDSHIP AND CORPORATE MANAGEMENT

OBJECTIVE: That the Museum adopts sound and efficient governance and stewardship practices that facilitate the alignment of resources with priorities and full accountability and transparency to Canadians for results, and that the Museum recruits and retains the necessary human resources both for the start-up and the long-term.

KEY RESULTS:

- The Corporation meets or exceeds recognized FAA and Treasury Board standards for Corporate Governance. Financial Resources are allocated in a manner designed to achieve the priorities of the Corporation.
- The Corporation has strong working relationships with all levels of government and other stakeholders to build support in the community for its mission.
- The Corporation has in place the policies, procedures and systems that are conducive to sound management and accountability.
- The Corporation attracts and recruits the talent and expertise necessary both for the start-up and the long-term. The Museum has a workplace that is fair, enabling, healthy, and safe and a workforce that is productive, principled, sustainable, adaptive, and representative of both official languages and the diversity inherent in Canadian society.
- The Corporation establishes the capacity to generate ongoing private-sector contributed funds. Upon its opening, the Museum will be in a position to generate earned revenues.
- The Museum garners a high level of awareness and public support through strong, effective marketing and communications strategies and positive visitor experiences.

MUSEUM CONTENT AND PROGRAM

Canada's Story

The Canadian Museum for Human Rights emerged from the conviction that an unequivocally Canadian story - the evolution of the rights and freedoms that have shaped a nation whose size is matched only by the diversity of its people - deserved a home of its own.

Today, the Canadian Museum for Human Rights stands as a promise; a promise that our Canadian stories of triumph, failure, resilience, and celebration will live on with renewed relevance and immediacy.

Our work is to honour those stories, protect them, and endow them with new life so that they may inspire the next generation of human rights champions.

Guided by the insight and advice of citizens from every region of Canada, our work today is defined by giving shape to exhibits and programs that will capture the rich complexity of our Canadian story so far, and empower our visitors with the tools to take up the human rights struggles that challenge us still today.

MADE IN CANADA. MADE BY CANADA.

One year ago, the Museum reported a major milestone. We had reached completion of a set of physical blueprints that would serve as the foundation for the exhibits that will engage and inspire our visitors when the Museum opens its doors.

In the year since, those blueprints have been made rich with detail. What was before a framework has become a cohesive portrait defining each element of the visitor experience: an immersive, participatory journey that will engage the visitor as a full partner in exploring our past and shaping the future. A new critical milestone - Design Development 2 - is now complete, meaning each aspect of the galleries' physical expression, from walls to furniture to physical exhibit elements, have been designed to the point they are "fabrication ready." With this benchmark achieved, the construction project is on track to move from completion of the base building into the exhibit areas in 2013.

At every stage, Canadians' contributions to this project are our guideposts. Crafting content for the Museum's exhibits is a national effort. It's an exercise in retooling and recalibrating, continually refining each aspect of our content plans as we work to set a new bar for inclusivity, consultation, and participation through each stage of exhibit development. The Museum is grateful to the citizens from across the country who have invested their time and insight to ensure our exhibits will exceed the high standards Canadians have set out for us.

Exhibit development over the past year has been marked by a process of refinement that will ultimately serve to ensure our content and programs are truly built in Canada's vision.

MAKING INCLUSIVITY INCLUSIVE.

The CMHR held the first meeting of its Inclusive Design Advisory Council, or IDAC, in December 2011. Comprised of eight experts, advisors and activists in the field of disability rights, the council is working in direct partnership with the Museum to ensure all aspects of programming, exhibits, media and technology design, and even business practices can set a new standard for accessibility among cultural institutions. The Museum now has a working group that meets monthly and a council of eight external stakeholders who meet up to four times per year. All IDAC members have committed to a two-year term to provide analysis and identify gaps around every element of the Museum experience. With IDAC, the Museum's aim is twofold: to ensure all aspects of its work are accessible to all; and also to set a standard for inclusion and accessibility that cultural organizations both in Canada and abroad will seek to emulate. As Laurie Beachell, National Coordinator of the Council of Canadians with Disabilities, noted after IDAC's first meeting, "The Canadian Museum for Human Rights ... not only will tell the story of the struggle for people with disabilities for equality but provides an opportunity to substantially raise the bar on the accessibility of museums for people with a wide range of disabilities."

BUILDING BRIDGES, CULTIVATING TRUST.

The Museum's subject matter touches the innermost elements of who we are, how we identify ourselves, and how others see us. Canadians expect and deserve a human rights museum that tells Canada's story with equity of representation, where the lived experiences of all are honoured equally. The inherently human nature of our exhibits and programming gives the CMHR unique responsibility to engage and consult with Canadians about all aspects of our work, especially with regard to exhibits that address gross violations of human rights. The Museum's public engagement effort is without precedent among cultural institutions in Canada and, perhaps, in the world. To date we have consulted directly with some 4,000 Canadians, including ethnocultural leaders, rights advocates, educators and scholars, and individual citizens. An expert advisory council (Human Rights Advisory Council) continues to provide external guidance to the Museum's CEO and President. Still, our work in this area is not yet done. The Canadian Museum for Human Rights will never be a stranger to controversy; the nature of our subject matter makes this impossible. But we are resolute in our determination to earn Canadians' trust, and to earn their confidence in our effort to share their stories with dignity and depth. This year the Armenian National Committee of Canada characterized its relationship with the Museum's senior officials as "positive, open and constructive." Senior officials representing the Chinese Canadian community noted their discussions with the Museum were important to further the Chinese Canadian community's relationship with the Museum and to ensure that their knowledge, experiences, and community perspectives were shared for the benefit of all future visitors to Canada's national Museum. Although 2011-2012 was underscored by wide dialogue and outreach, comments like these only compel us to continue our conversation with Canadians of all backgrounds so that the whole of Canada will recognize the Canadian Museum for Human Rights as their own.

A RIGOROUS STANDARD.

The highest research standards underpin every element of the work that informs content planning and exhibit design. The Museum boasts an in-house research staff comprised of accomplished human rights scholars and researchers. Apart from its own expert team, research and exhibit planning conducted at the Museum is subject to the gold standard for sound academic inquiry, the peer review. The CMHR initiated a process of peer review for each of its galleries in 2011-2012, a process believed to be the first of its kind among cultural institutions in Canada. Approach papers for all but one of the Museum's galleries were vetted by expert panels of recognized Canadian scholars over the past year, and the final gallery review is scheduled to be completed shortly.

EMPOWERING YOUTH TO LEAD.

We eschew the notion of referring to young Canadians as the "next generation" of human rights leaders. Issues of dignity, understanding, empathy, and respect are readily understood by children and youth, and many young Canadians have made clear they have little intention of waiting until they become adults to take a meaningful stand for human rights. Last spring, the Canadian Museum for Human Rights held its first youth roundtable, hosted by former Governor General the Rt. Hon. Michaëlle Jean, bringing together 40 young leaders to exchange ideas about combatting bullying and discrimination, and fostering a culture that respects and celebrates difference. This year, the Museum partnered with Canadian youth group Free the Children in presenting We Day programming to more than 17,000 Manitoba students, and co-sponsored the Adventures in Global Citizenship course with the University of Winnipeg's Global College and Rotary International. Soon, the CMHR's newly formed Youth Advisory Council will initiate regular meetings, giving young leaders a direct stake in the Museum's work.

BRINGING CANADA'S HISTORY TO LIFE.

The Museum's Oral History Program was made permanent this year after completion of a successful pilot project in 2010-2011. An important component of the Museum's research and collections activity, the program yields first-person stories that will enrich Museum exhibits while ensuring a "living history" endures of those who have shaped human rights in Canada and around the world. The Museum's oral histories not only offer a rich source of primary research and knowledge but fill important gaps in documentary history and capture perspectives from groups and individuals often under-represented in the historical record. More than 100 oral histories have now been recorded in French, English and other languages, covering topics spanning women's rights, Indigenous rights, Lesbian, Gay, Bisexual, Transgendered, Two-spirited and Queer (LGBTTQ) experiences, labour struggles, disability rights, the experiences of new Canadians and international human rights activism. Not only are the oral histories fundamental to the development of the Museum's collections, they in turn serve as a source for new research and scholarship and offer a means for Museum visitors to experience first-hand accounts of some of humanity's most significant human rights struggles, both in Canada and abroad.

AN ALLIANCE OF LEADERS.

The Museum has a mandate to support, share knowledge with, and learn from the organizations already on the front lines of human rights leadership. In 2011-2012, the Museum continued to build alliances with some of the nation's foremost voices for human rights. This past spring, the Museum partnered with Journalists for Human Rights (JHR) to present DocFest in Montreal, reaching thousands of JHR members through social media while leveraging advertising and media exposure in the Montreal market. Partnerships are now in development with the Canadian Association of Statutory Human Resources Agencies and the Saskatchewan Human Rights Commission. In December, the CMHR signed a memorandum of understanding with the Embassy of the Netherlands, laying a foundation for international collaboration on human rights education, training, and other joint projects.

DIGITAL RIGHTS.

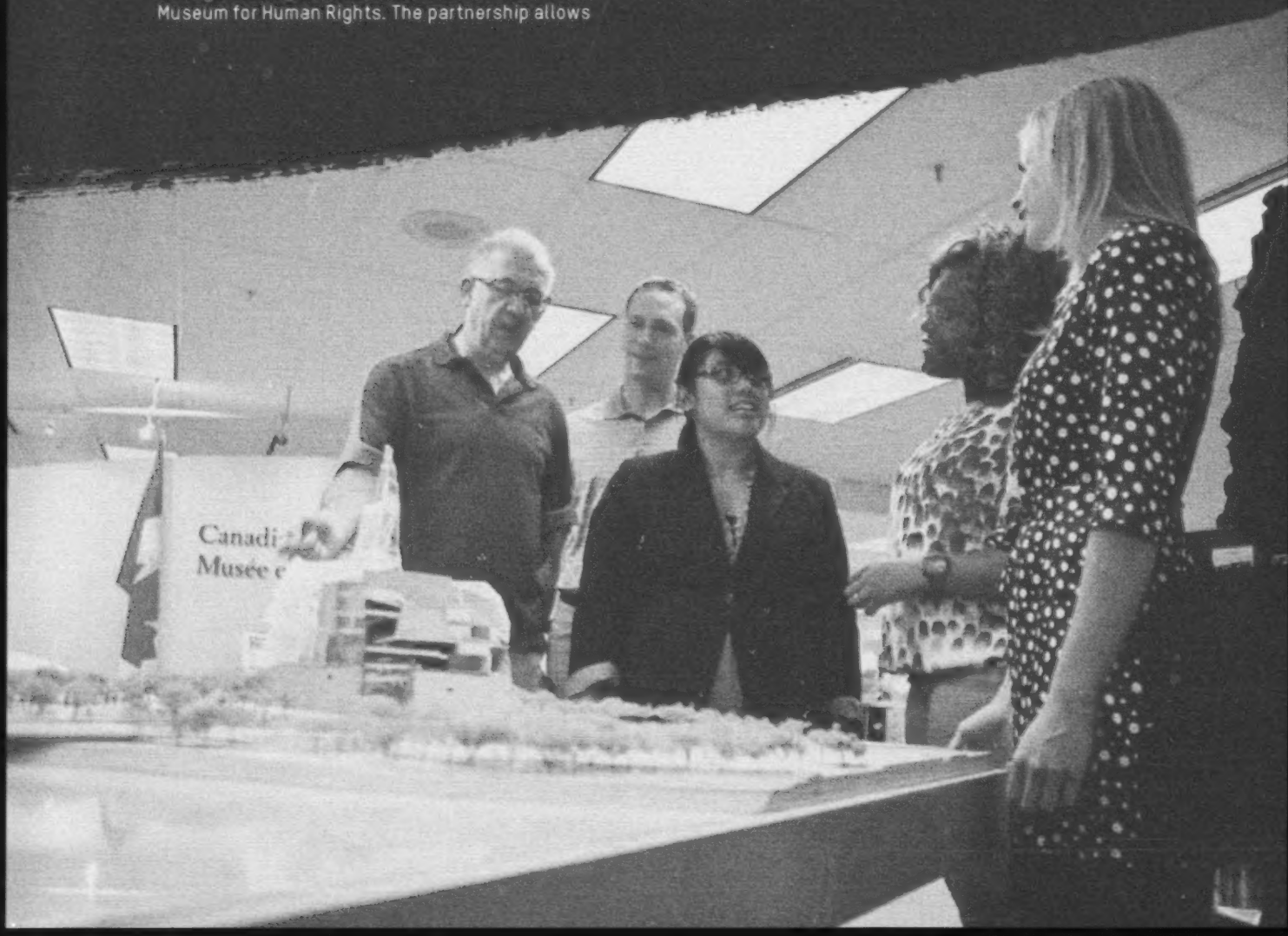
Digital technology is intertwined with everything we do at the Canadian Museum for Human Rights. Judicious use of digital tools allows us to incorporate greater interactivity into our exhibits. It allows us to deliver content in multiple languages and to do so in a way that will be accessible to visitors of every level of ability. Digital delivery allows us to keep our content fresh, current and relevant to visitors of varying ages and needs, while participatory digital tools enhance opportunities for hands-on learning and personalized experiences. In 2011-2012 the Museum moved forward on a new phase of digital exhibit design. Content producers are now developing games tables, "insight stations" and digital interactives that will not only dramatically enrich the visitor experience but will redefine how Canadians think about a trip to the museum.

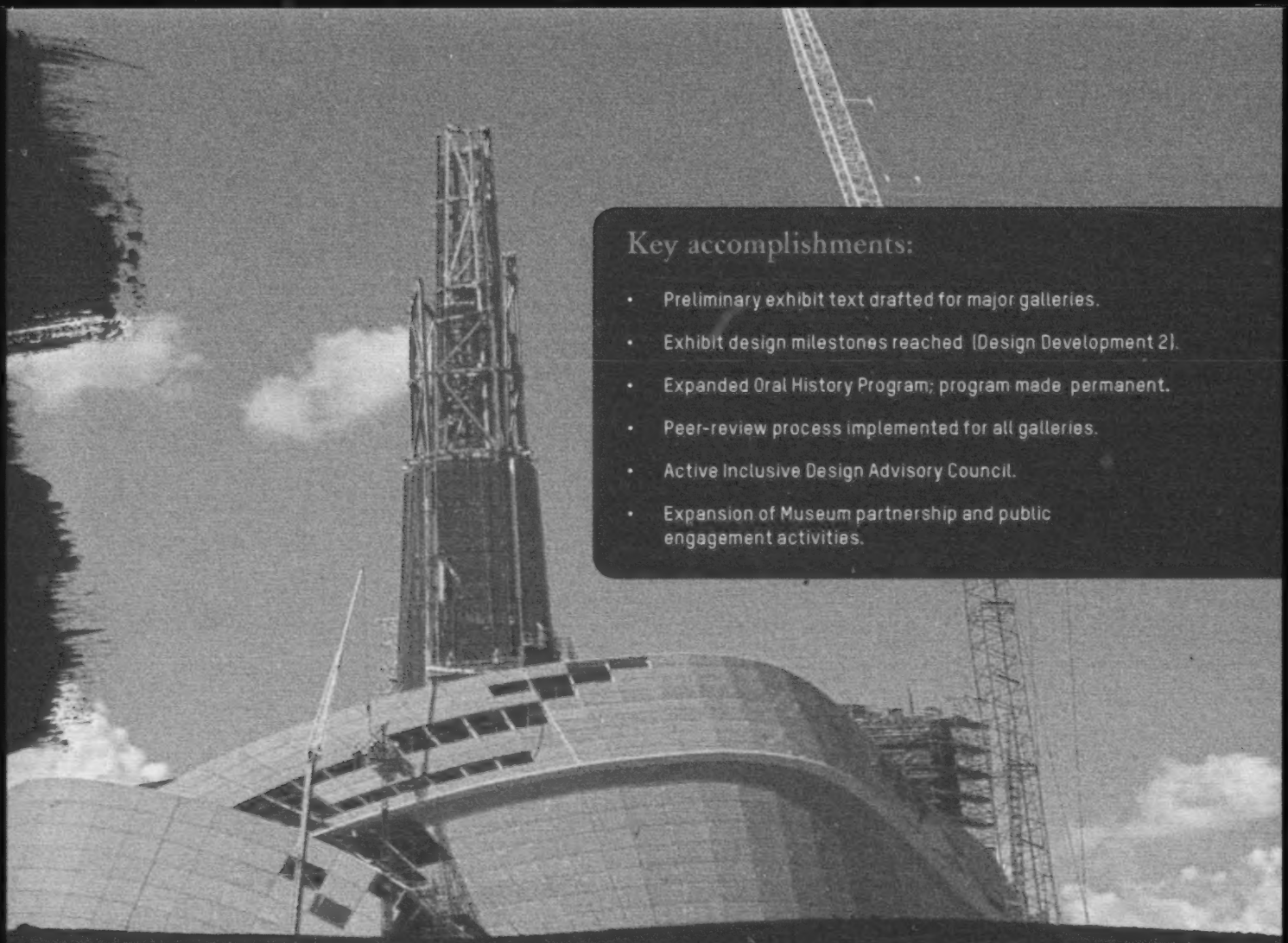
Growing Social

With the Museum still under construction, digital tools are essential in engaging Canadians in conversation around human rights issues and in fostering meaningful dialogue about the Museum's programs and aims. The CMHR's social media presence grew considerably in 2011-2012. English and French-language Twitter followers doubled and tripled respectively while the Museum's Facebook "likes" grew to almost 4,000.

A Foundation On Education

This past summer, two young University of Winnipeg (U of W) students received bursaries from the CMHR. One had never travelled outside of North America. The other grew up in Afghanistan under Taliban rule and had to dress as a boy each day simply to attend school. The two university students were participants in the Adventures in Global Citizenship program co-sponsored by the U of W's Global College, Rotary International and the Canadian Museum for Human Rights. The partnership allows university students to explore contemporary rights issues such as global gender equality, children affected by armed conflict, Indigenous rights and post-conflict reconciliation through news items, social analysis and literature, while providing an academic foundation for further study or work in a human rights-related field. This commitment to education is central to every aspect of the Museum's work. This year our formal partnership with the University of Manitoba grew into a human rights speakers' series featuring public lectures delivered by academics from both the University and CMHR, and collaboration on the first ever issue of the Canadian Journal of Human Rights, published in April 2012. A national curriculum project with the Canadian Teachers' Federation was initiated, and the Museum welcomed its first Director of Learning and Programming, a position dedicated to delivering public human-rights programming while working with education leaders across Canada to enhance human rights learning both inside and outside the classroom.





Key accomplishments:

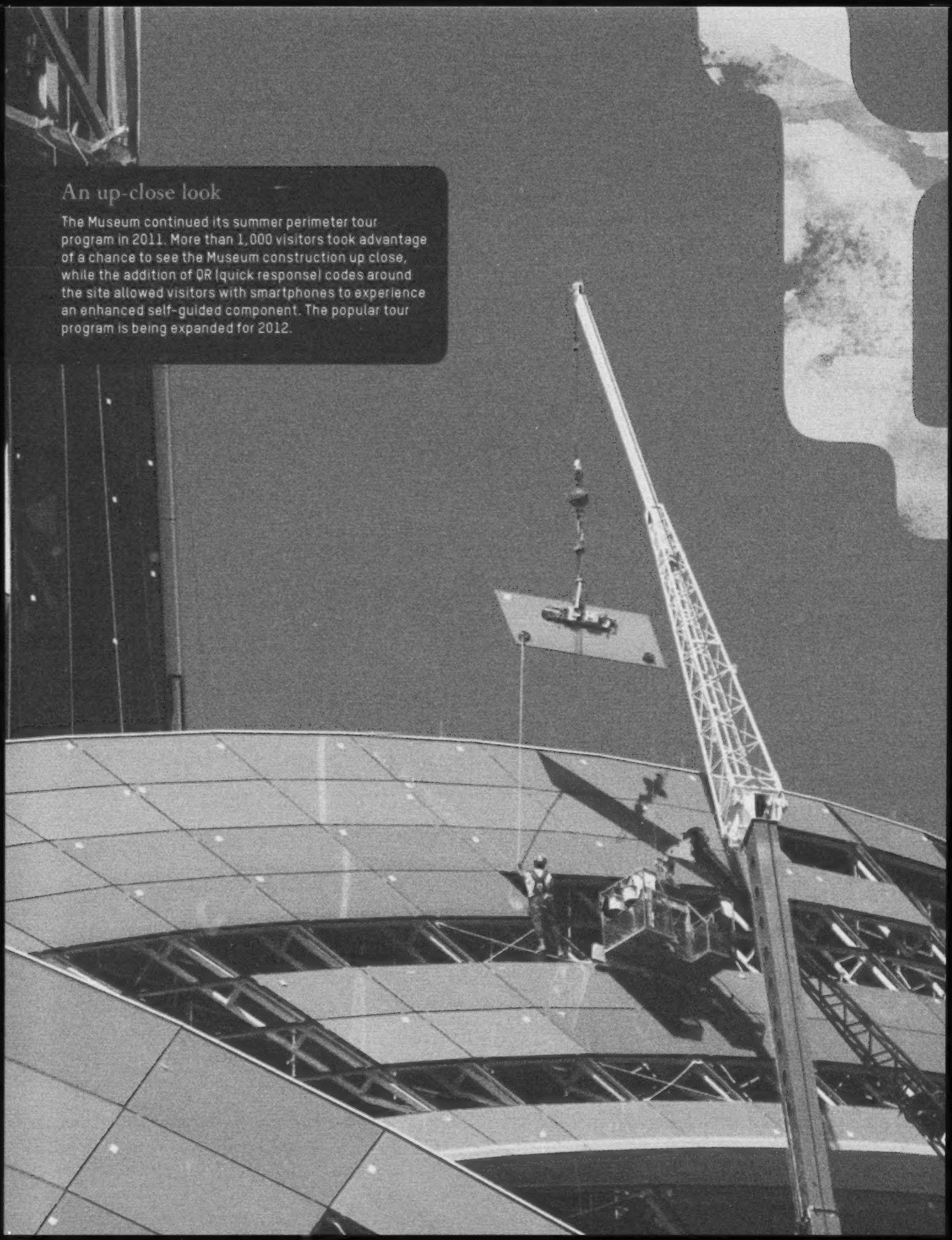
- Preliminary exhibit text drafted for major galleries.
- Exhibit design milestones reached (Design Development 2).
- Expanded Oral History Program; program made permanent.
- Peer-review process implemented for all galleries.
- Active Inclusive Design Advisory Council.
- Expansion of Museum partnership and public engagement activities.

Sharing the Museum With the World

A conservative estimate pegs the projected number of visitors to the CMHR at 250,000 per year. Countless more will be able to enjoy a richly interactive experience from anywhere in the world by visiting the Museum's web site. Bringing the full depth of the Museum experience online is a key CMHR commitment, and to this end, work on the "virtual museum" was initiated this year. The Museum's current web site is the second incarnation of the Museum's web presence. The third site will become the CMHR's definitive online home; an interactive trove that will house exhibits, digital collections, a reference centre, programming resources and museum services. A series of stakeholder needs sessions was held and more than 400 web user surveys were compiled over the past year. This work yielded vital insights that will help the Museum to lay the roadmap that guides development of an immersive web site that will be like no other.

Telling our Story

Members of the Museum's executive speak regularly at events across Canada, both to engage Canadians in a wider dialogue about our work and to actively support our fundraising efforts. In 2011-2012, CMHR President and CEO Stuart Murray spoke at donor events in several cities, presented to the Standing Committee on Canadian Heritage that has been mandated to prepare for the 2017 celebration of Canada's 150th anniversary, and delivered the inaugural lecture at a human rights speakers' series led by the University of Manitoba's Centre for Human Rights Research Initiative. The speakers' series, known as Critical Conversations, offered public lectures over a six month period, bringing together human rights scholars from the University of Manitoba and curators and researchers from the CMHR.



An up-close look

The Museum continued its summer perimeter tour program in 2011. More than 1,000 visitors took advantage of a chance to see the Museum construction up close, while the addition of QR (quick response) codes around the site allowed visitors with smartphones to experience an enhanced self-guided component. The popular tour program is being expanded for 2012.

PERMANENT BUILDING AND TEMPORARY ACCOMODATION

Clearly Canadian

THE MAPLE LEAF. THE BEAVER. THE PEACE TOWER.

The symbols that define our nation are unmistakably ours; distinctly recognizable icons that unite us as Canadians and capture a shared sense of spirit, optimism, and civic purpose.

Today, at the centre of Canada, a new symbol comes into form. Antoine Predock's celebrated vision now stands realized; a Canadian landmark at the heart of the continent, emblematic of a shared conviction that Canada's finest moments can be the ones still to come.

A VISION REALIZED.

From a field of 62 architectural firms spanning 21 countries and five continents, it was Predock's imaginative "architecture of dualities" that was embraced by the Museum's Architectural Review Committee nearly a decade ago. Now, this iconic design comes fully to life.

At the close of fiscal 2011-2012, 100 percent of the physical construction of the base building has been tendered. Installation of the Museum's structural steel skeleton was completed in December 2011; the glass "cloud" that encircles the building followed and is well underway. With the concrete roots and cores fully poured, masonry on the Museum's exterior will be complete in mid-2012, with alabaster work on the Museum's ramps projected for completion in late 2012. Basalt work in Buhler Hall and the Stuart Clark Garden of Contemplation continues and is slated for completion in mid-winter.

All major mechanical equipment has now been installed, and piping and ductwork has been completed on lower levels. Major electrical equipment is in place and permanent power has been turned on.

Construction of the base building is expected to be substantially complete as planned by the close of 2012, office fit-up expected to be complete in early 2013, and the stage will be set for exhibit fit-up in the Museum's interior in 2013-2014.

OUR TEMPORARY HOME.

Employees of the CMHR continue to work from temporary offices leased in the Government of Canada Victory Building at 269 Main Street in Winnipeg, where office space is shared with Friends of the Canadian Museum for Human Rights. As planned, in 2011-2012 the Museum moved some work units to neighbouring offices to accommodate staffing increases that will be required as the Museum moves closer to opening.

A COMMANDING PRESENCE, A DIMINUTIVE FOOTPRINT.

The Museum's physical structure and associated building systems have been designed to achieve a Leadership in Energy and Environmental Design (LEED) Silver designation. LEED is a rating system designed by the Green Building Council that rates the design, construction, and operation of high performance green buildings. The main components of the building that contribute to the overall environmental performance include high efficiency heating and cooling systems, high performance building envelope systems, highly adaptable landscape design and various operational programs that will be implemented when the facility is in full operation.

Key accomplishments:

- 100% of base building tendered.
- Structural steel skeleton completed.
- Major mechanical equipment installed, permanent power turned on.
- Summer tour program expanded to allow Canadians to see construction progress up close.

STEWARDSHIP AND CORPORATE MANAGEMENT

A Bold Vision. Prudent Progress.

Responsible governance, identifying budgetary efficiencies, and prioritizing investment were key areas of focus in 2011-2012. The Museum's approach to corporate management recognizes that Canadians expect transparency, effective leadership, and good value for every public dollar the Museum invests.

SOUND SAVINGS.

A constrained global economy has posed a persistent challenge to organizations across Canada. The Museum has responded to these fiscal realities with an aggressive program of reductions and deferments that ultimately realized over $10 million in savings in 2011-2012 , bringing an operating budget of $21.7 million to $11.7 million over the fiscal year. The structured cost curtailment and deferment strategy included major reductions in marketing, public engagement, travel and conference budgets. The hiring of key staff was delayed by one or more years, and all contracts related to exhibits, including new media contracts, were deferred to 2012-2013. Of the $10 million saved or deferred, approximately $2.5 million in staffing, $4.2 million in exhibit and new media-related costs and $1 million in IT costs were shifted from 2011-2012 to 2012-2013. Some $2.3 million in cuts came from marketing, communications, programming and travel. The aggressive constraint better ensured the Museum would have stable fiscal footing to weather any funding uncertainties prior to inauguration.

INNOVATING. AND SAVING.

The Museum initiated development of an Enterprise Content Management System (ECMS) this year, an advanced electronic filing cabinet that will reduce cost and create time efficiencies as exhibit development moves forward and the Museum's scope of operation grows. The ECMS allows central storage of large amounts of content and data that can then be distributed to various endpoints (the Museum web site, in-gallery technology, mobile devices, and Museum partner facilities). The centralized distribution function of the ECMS means the Museum can avoid having to duplicate content for different applications, allowing significant cost savings both prior to the Museum's opening and in perpetuity as edits and content revision can be handled centrally without need to duplicate changes for each data point.

PUTTING THE MUSEUM ON THE MAP.

The Museum began partnership discussions with the Canadian Tourism Commission (CTC) in 2011-2012 to explore development of a joint international marketing and sales plan. The Museum's work with the CTC will focus on positioning the CMHR as a key travel destination in target markets including the meetings and conventions industry; student and youth travel; and direct sales to travel media. The Museum continues to build relationships at major marketplaces including the Canadian and American Societies of Association Executives, the National Tour Association, and *Rendez-Vous Canada*.

NEW STREAMS OF REVENUE. GROWING INFLUENCE.

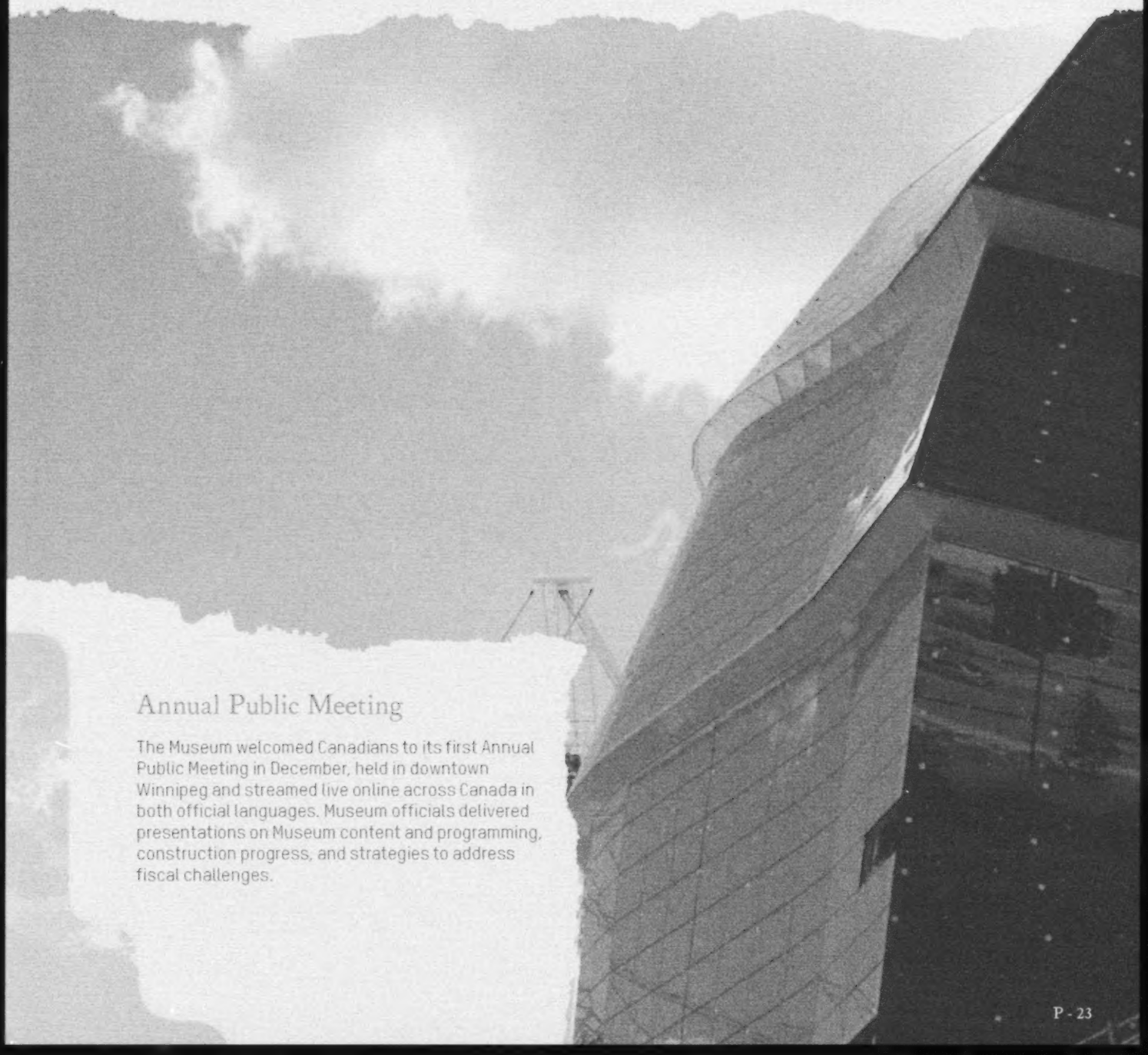
The Museum completed a retail store business plan this year, including store design concept, product categories, and retail revenues. The business plan includes key store policies that reflect Museum values and principles, including an Official Languages and a universal access policy. The Museum offers a retail product line with Canada-wide distribution through Museum Stores of Canada online and in their printed catalogue.

FISCAL TRANSPARENCY.

The Museum continued to enhance public reporting of its financials in 2011-2012. While the CMHR has long publicly posted detailed annual financial statements, the Museum began quarterly reporting with the June 30, 2011 financials following conversion to Public Sector Accounting Standards. The Museum published its first series of online quarterly financials on the CMHR website, where it also posts travel and hospitality expenses for its President and CEO. A new corporate records and access-to-information officer was also hired to enable prompt response to access requests.

Saluting Our Funding Partners

The CMHR is a product of both private and public leadership. The Museum acknowledges the tremendous support of the Government of Canada, Province of Manitoba, and City of Winnipeg for their embrace of a uniquely Canadian museum dedicated to human rights. In 2011, the Museum extended particular acknowledgement to the City of Winnipeg for expanding its support for the Museum following a unanimous vote of City Council. The Museum continues to work in close partnership with the Museum's fundraising arm, the Friends of the Canadian Museum for Human Rights ("Friends"), to expand private sponsorship and to affirm Friends' position as one of the most successful cultural fundraising organizations of its kind in Canada. Through their donations, volunteer efforts and support, the Friends have raised a total of $130 million in private sector funds as of the close of fiscal 2011-2012.



Annual Public Meeting

The Museum welcomed Canadians to its first Annual Public Meeting in December, held in downtown Winnipeg and streamed live online across Canada in both official languages. Museum officials delivered presentations on Museum content and programming, construction progress, and strategies to address fiscal challenges.

Building Our Brand

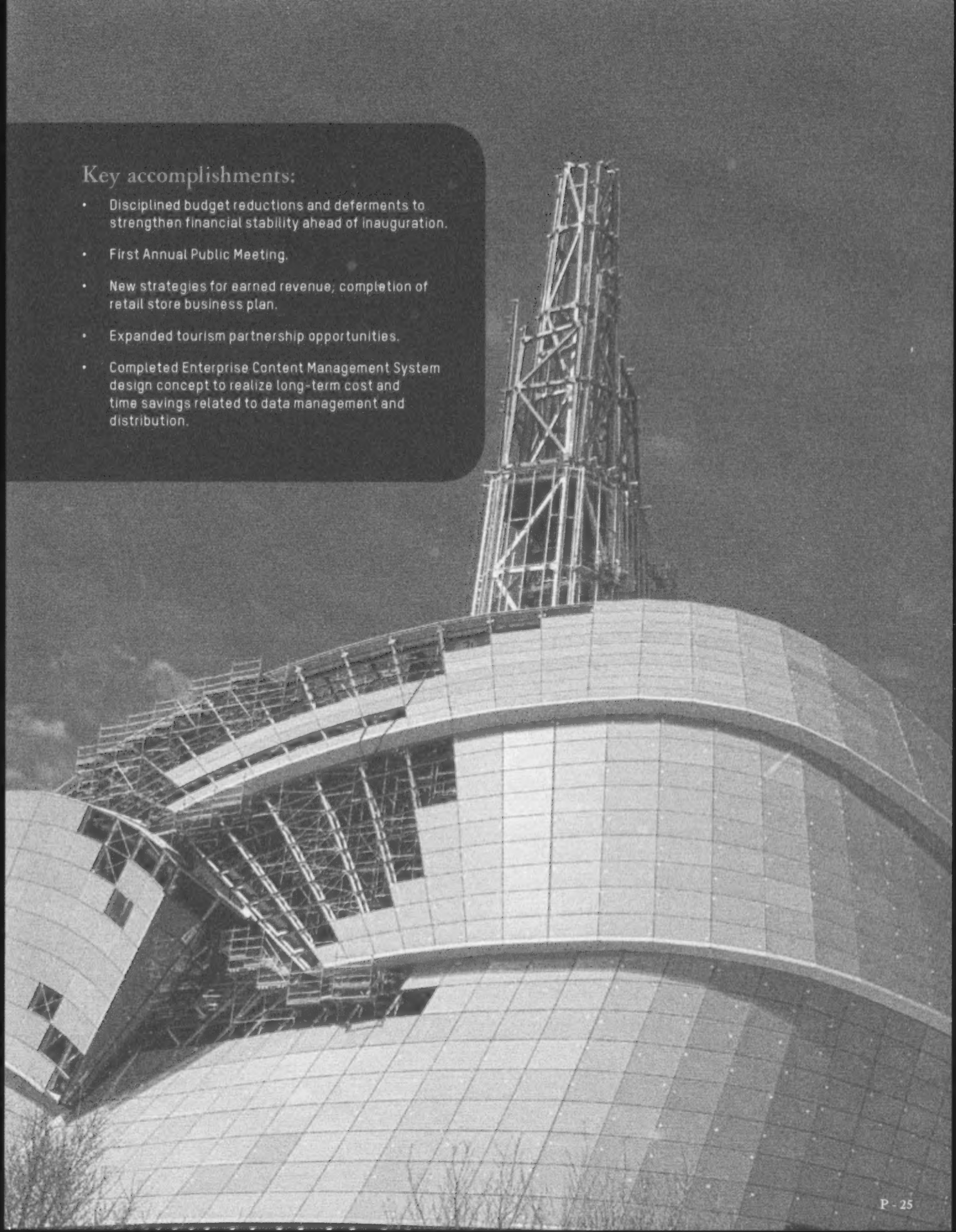
The Museum expanded its visual branding efforts this year including new backlit signage greeting visitors leaving Winnipeg's James A. Richardson International Airport, new signage around the Museum construction site, and inserts for marketing materials at targeted events such as job fairs and fundraisers.

A Visit from the Governor General

The CMHR welcomed Canada's Governor General, the Right Hon. David Johnston, for a guided tour of the Museum construction site in June 2011. It was His Excellency's first official visit to Manitoba. Canada's Governors General have championed the Museum project: Mr. Johnston serves as Honorary Patron of the Canadian Museum for Human Rights, continuing a tradition established by his predecessor, the Right Hon. Michaëlle Jean.

Winnipeg Renaissance

A Canadian destination. The Canadian Museum for Human Rights is at the fore of a Winnipeg renaissance, a period of investment, growth, and civic optimism not seen in generations. Economic Development Winnipeg estimates the Museum's presence alone will deliver an additional $79 million in new direct spending each year. Apart from the CMHR emerging as an economic driver and a new focal point on the Winnipeg skyline, the National Hockey League has returned to the city, the new James A. Richardson International Airport has opened its doors, Winnipeg's signature urban green space, Assiniboine Park, is undergoing a multimillion-dollar renovation, and new investment is pouring into the city's downtown. Just as the Museum is bringing jobs and investment to Winnipeg, the city's rejuvenation will serve a net economic benefit to the Museum.



Key accomplishments:

- Disciplined budget reductions and deferments to strengthen financial stability ahead of inauguration.
- First Annual Public Meeting.
- New strategies for earned revenue; completion of retail store business plan.
- Expanded tourism partnership opportunities.
- Completed Enterprise Content Management System design concept to realize long-term cost and time savings related to data management and distribution.

THE YEAR AHEAD

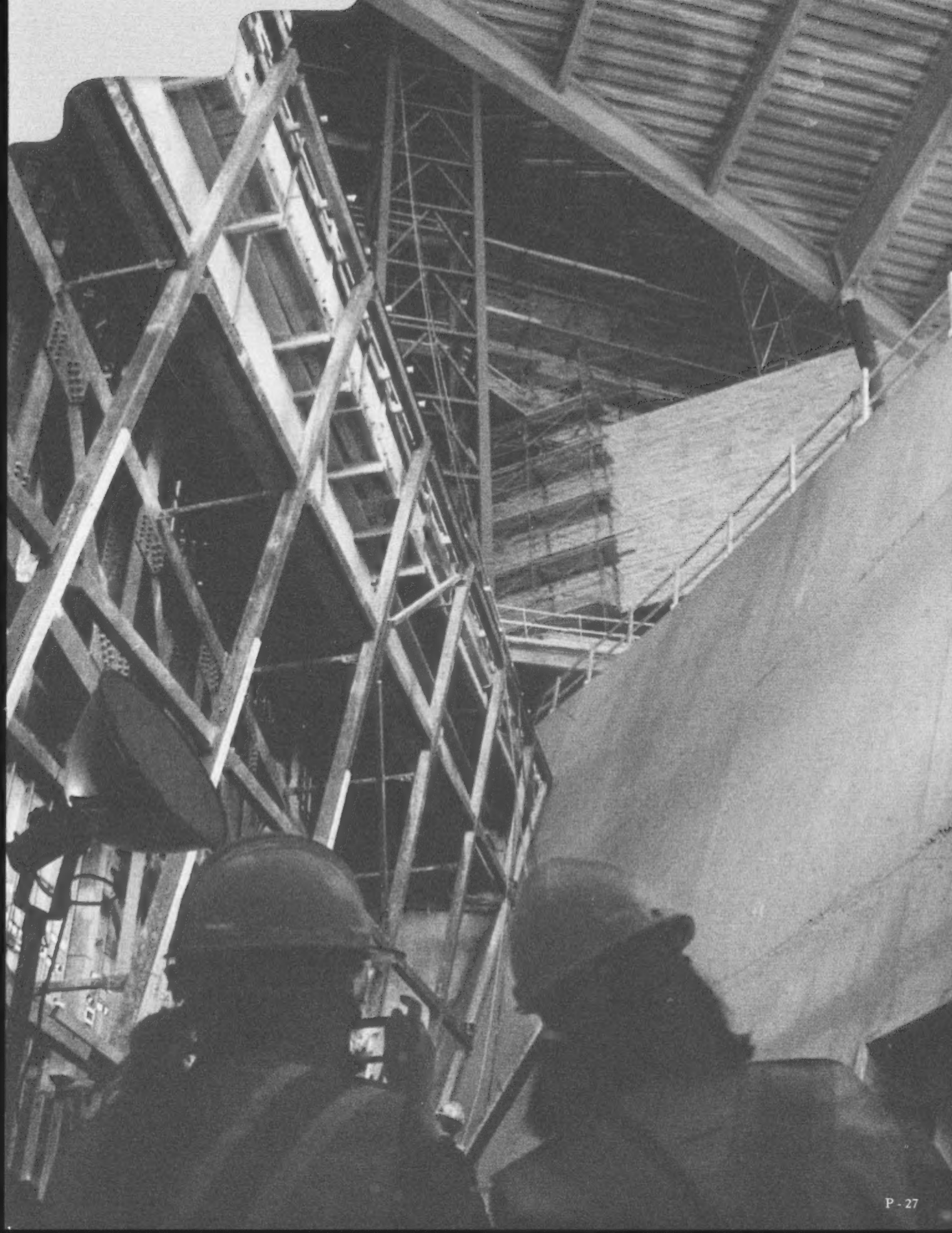
Our work over the next 12 months marks an exciting transition from research and planning to creating the exhibits and programming that will leave our visitors inspired and empowered to change the world.

Key areas of focus in 2012-2013 include the tendering of major New Media contracts for the development and construction of immersive, interactive exhibit features and learning tools. The Museum will tender contracts for interior fit-up and exhibit design, modeling and construction. The base building will come to full completion, including all exterior glazing and final installation and testing of major mechanical and power systems.

Interior exhibit carpentry will commence, while our exhibits team completes draft text for all wall panels and other fixed content our visitors will encounter when the Museum opens its doors. External, independent researchers will complete their peer review of all Museum galleries, while foundational work such as implementation of a Museum Art Policy is concluded.

We will develop a framework for education programming for early and middle years students, while we continue to expand our outreach and partnerships with schools, universities and education leaders across Canada. The Museum will unveil new tourism and marketing initiatives during the lead-up to the 2014 inauguration, while also completing and implementing new strategies for ticketing, retail and other revenue-generation opportunities. Partnerships will be expanded on all fronts, both with our tourism partners across Canada and abroad, as well as with the rights organizations, governments and academic and cultural institutions that have committed to joining hands with the Museum in advancing the cause of human rights.

In coming months, we will also renew efforts to tell our own story. From a new "insiders" blog to expanded social media offerings and web content, we will acquaint Canadians not only with the evolution of their new national museum, but provide a glimpse of what lies ahead when we open our doors to the world.



MANAGEMENT'S DISCUSSION & ANALYSIS

The Canadian Museum for Human Rights (CMHR) was established as a corporation on August 10, 2008 and was the first national cultural institution outside the National Capital Region to be created in a generation. The CMHR aspires to empower people to change thought and action to further the cause of human rights both in Canada and around the world.

The Corporation is committed to developing a strong financial and operational foundation to support this vital work. In implementing its mandate, the Corporation is striving for excellence, adopting best practices and demonstrating full accountability to Parliament and Canadians.

The Corporation was classified as a government not-for-profit organization (GNPO) effective April 1, 2011 and adopted public sector accounting standards applicable for a GNPO. The statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) as at April 1, 2011 with retroactive application. The Corporation also complied with Quarterly Financial Reporting, with the first Quarterly Financial Report for the quarter ended June 30, 2011 published on its web site.

STRATEGIC DIRECTION

The Corporation's Board of Trustees establishes the strategic direction to guide the organization. The strategic direction set for 2011-2012 included the following priorities:

- To develop the exhibits, content and programs;
- To build a world-class building in a fiscally sound, transparent and accountable manner; and
- To create an organization with sound and efficient governance and stewardship practices.

Each year, a detailed set of goals and objectives are established for each priority area. In 2011-2012, the Museum's third full year of operations, the Corporation made significant progress towards the completion of the Museum's base building and development of its inaugural exhibitions, education and programming spaces. The Museum Board and Management continue to work in collaboration with the Friends of the CMHR in order to secure the funds required to complete the capital project.

ENVIRONMENTAL SCAN

Both internal and external factors affect the Corporation's ability to construct its facility and exhibitions within budget, to recruit and retain a skilled and professional workforce, to attract visitors to the Museum once it has opened its doors and to fund its ongoing operations. The Museum's Corporate Plan is designed to guide its continuing success in light of the following environmental factors:

Strengths and opportunities

- Government support at all levels.
- Public support.
- Fundraising by the Friends of the CMHR.
- Revenue generation opportunities.
- Social trending towards human rights awareness.
- Significant external input.
- Central location at The Forks in Winnipeg, a historic meeting place and the city's premier tourist attraction.
- The opportunity to "get it right" with a new model of engagement; and
- Base Building construction 100% tendered, 80% complete.

Risks and challenges

- Global economic uncertainty.
- Complicated capital construction for which a detailed Risk Management Strategy has been developed.
- Some financial uncertainty related to ongoing operations (e.g. obligations under the *Federal Payments in Lieu of Taxes Act*, impact of inflation and revenue generation).
- Capital cash management.
- Controversial subject matter; and
- High expectations from Museum supporters.

OPERATING BUDGET: OVERVIEW

In establishing the Canadian Museum for Human Rights as a national cultural institution and federal Crown corporation, the Government of Canada agreed to provide up to $21.7 million in operating funds per year.

Evaluation of anticipated operating needs for both before and after opening is ongoing. As work continues on developing the Museum's corporate structure, information technology infrastructure, exhibitions, content, programs, archives, library and web presence, estimates and timing of the Museum's requirements can be made.

OPERATING BUDGET: YEAR-END RESULTS

For 2011-2012, the third full year of operations, the Museum forecasted a need for $21.7 million in operating funding as it ramped up to an inaugural opening in 2013. In 2011, with the base building almost complete and the work on developing the exhibits well underway, an assessment of the funding commitments required made it evident that the current project budget was not sufficient to complete the building, exhibition construction, and education and programming spaces.

The CMHR Board and Management reviewed and assessed both base building and exhibit development, design and construction budgets and set the total project cost at $351 million which represents an increase of 13 percent.

Due to the increase in capital requirements, and to allow for additional time for the development, installation and testing of the exhibits, the project schedule was adjusted to reflect an inaugural opening in 2014. Therefore, content and programming development costs were deferred from 2011-2012 to 2012-2013, and aggressive reductions in spending in the operational budget were implemented including marketing, public engagement, travel and non-critical spending. Hiring was limited to 'critical positions'. For example, while we projected hiring 35 employees in 2011-2012, only 13 new positions were hired. These deferrals and savings allowed the operating budget for 2011-2012 to be reduced from $21.7 million to $11.7 million. The Museum has received approval to re-profile the remaining $10 million of appropriations from 2011-2012 to 2012-2013.

In addition, the Museum raised $25,000 through its retail strategy which included sales through Selections from Museums of Canada's catalogue and $36,000 in interest income.

Operating expenses for the year ended March 31, 2012 were $10.9 million and $0.9 million of expenses, primarily for IT infrastructure, were capitalized. The operating expenses included projects carried forward from previous years resulting in an excess of expenditures over revenues of $66,000.

At March 31, 2012 the Corporation employed 65 individuals, including casual employees, interchange, contract and term positions.

With the significant reductions in operating expenses outlined above, a deferral of the programming, web and content development costs to 2012-2013, and lower salary expenses that were offset by increased professional service fees to carry out key projects, the CMHR was able to operate within the budget of $11.7 million.

OPERATING BUDGET: OUTLOOK

For the fiscal year 2012-2013, the Museum is limited to and forecasts a need for $21.7 million. Approximately 25 fulltime staff are slated to be hired in 2012-2013 to manage and operate the completed Museum base building, to continue development of exhibitions, education and public programming, the web and social-media. The Museum will continue to consult and engage Canadians in the development and refinement of content over the next fiscal year.

Exhibit research and the recording of oral histories will also continue. Professional services will continue to be required to augment staff support in areas that are time sensitive or require specialized expertise.

In 2012-2013, the Museum will continue to refine its budgets for the next five years including the years immediately after opening. Once it is open and fully operational, the Corporation will be in a position to better assess its ongoing operating needs.

The Museum will need to address ongoing pressures of inflation in operating, maintenance, capital repairs, and payments required for property tax (PILT) payments.

THE CONSTRUCTION PROJECT: OVERVIEW

The Canadian Museum for Human Rights will be a world-class, distinctive, architecturally exceptional Museum dedicated to human rights. The Museum is being constructed in Winnipeg at The Forks site at the confluence of the Red and Assiniboine rivers. In 2011-2012, Committees of the Board were formed and oversight of aspects of the Corporation were aligned by committee. The Audit Committee is now primarily responsible for overseeing the building project, including timeframes for construction, building design, completion of the project within budget, managing risks and recommending approval to the Board of Trustees as a whole.

THE CONSTRUCTION PROJECT: BUDGET

The construction project marks the first time a national museum in Canada has been built with financial contributions from federal, provincial and municipal levels of government, in addition to significant contributions from the private sector. Cash contributions from the Province of Manitoba ($38.8 million) and the City of Winnipeg ($16 million) have been received, as well as the private sector installments from The Friends of CMHR ($87.8 million). These amounts, plus the related investment income, are recorded as Deferred contributions until the funds are utilized to purchase Assets under construction and then transferred to Deferred contributions related to capital assets. In addition, land was donated by the City of Winnipeg and The Forks Renewal Corporation with an estimated market value of $4.9 million based on an independent valuation. The value was recorded in Net assets – Invested in Capital assets in 2009-2010.

The Government of Canada provided $30 million in funding for the project through Western Economic Diversification. The first $3 million was provided to the Friends of CMHR for a feasibility study and other start-up costs. The balance of $27 million is for capital costs and was transferred to the Museum in 2009-2010. The remaining $70 million in federal funds were allocated over three years — $20 million was received in 2009-2010, $40 million in 2010-2011 and $10 million in 2011-2012. These amounts, plus the related investment income, are recorded as Deferred contributions until the funds are utilized to purchase Assets under construction and then transferred to Deferred contributions related to capital assets.

While rigorous value-engineering controls and reductions in all non-critical operating areas have resulted in measurable efficiencies and savings of $12 million, there have been areas where cost increases have occurred.

In 2011, it became evident that the project budget was not sufficient to complete the project. The main cost was for structural reinforcement required by the engineers and architects to further strengthen the building. The requirement for additional steel also negatively impacted the project schedule, resulting in additional expenses for heating and hoarding. Additional costs for mechanical design included added ductwork and increased size of equipment requirements by the mechanical engineers. There were also additional costs related to additional materials required for construction of the mountain wall once the final design details were known and for foundation work due to unforeseen, poor soil conditions.

The cost increases experienced exceeded the contingencies within the original building base budget thus necessitating changes to the budget. The cost of the exhibit design and development needs leading towards a 2014 inauguration, and additional costs associated with fabrication and fit up also impacted the overall project budget.

A risk assessment of all remaining aspects of the project, including base building, fit-up and exhibits, has been completed and vetted by the base building contractor, architects, engineers and exhibit designers. With an appropriate contingency added, the total approved project budget has been revised to $351 million. As previously reported, this revised project budget still does not include costs to complete the Museum's temporary gallery and theatre. The Museum will pursue opportunities through partnerships with the private sector to complete these elements.

The base building will be substantially complete at the end of December 2012, followed by the completion of the office fit-up.

The Museum continues to work towards inauguration in 2014,as announced at the Museum's Annual Public Meeting in December 2011, and has aligned project and work plans accordingly.

By the end of 2011-2012, the Museum spent $227.5 million in capital costs for the building and exhibit design and construction. The Museum has $31.5 million in restricted cash, cash equivalents and investments held for the capital project at March 31, 2012.

At March 31, 2012, the construction of the base building is 80 percent complete and 100 percent tendered. In 2012-2013, the exhibition fit-up, fabrication and installation will be tendered.

THE CONSTRUCTION PROJECT: RISK MANAGEMENT

A complex and large-scale capital project presents a wide range of risks that need to be carefully managed, including the risk of delay and cost overruns. The Museum has identified potential risks facing the project, along with strategies to address them. These include plans to address the capital requirements and risks related to the project schedule, ensuring inflation is considered and complex architectural plans are fully implemented.

The architectural design for the Museum building is extremely complex. A project team including CMHR staff, executive and design architects, consultants and the construction manager was established at the inception of the project to manage and monitor all aspects of the construction project including changes in design, additions or deletions to the scope of work.

A design-assist procurement process has been used that, unlike traditionally bid projects, involves subcontractors during the design development and construction document stages of the project to provide valuable input into the design, planning, scheduling, budgeting (including the identification of cost-saving measures) and tendering — a focused team effort towards delivery of the project. This approach has been used successfully with structural, mechanical and electrical trades and with the exterior glazed façade supplier.

The construction schedule also requires precise attention to deadlines — any significant delays in the key milestones will delay the completion date. Constant and regular review of the plans and schedules for the construction project continue to be carried out by the project team.

At this stage of construction, with 100 percent of costs tendered, the largest remaining risk relates to change orders due to unknown conditions encountered during construction. The continued use of the project team approach and the design-assist process, which involves the major trades, is expected to reduce this risk.

In all cases, the Museum has developed a Risk Management Strategy, and the CMHR Board of Trustees and Executive Team have initiated steps to:

- Identify necessary actions to reduce or eliminate the impact of risks.
- Continue to monitor and track all identified risks.
- Develop contingency plans to deal with significant risks.
- Document and communicate the project risks to the project team, stakeholders and decision makers.
- Hire an experienced project manager for the next two years to bring the project to inauguration.

While the project has experienced increased costs, the Risk Management Strategy has also resulted in savings that and has generally allowed the project to progress successfully.

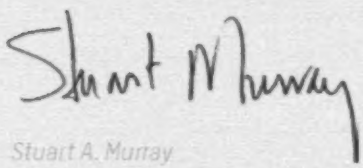
MANAGEMENT RESPONSIBILITY
for Financial Statements

Management has prepared the financial statements contained in this Annual Report in accordance with Canadian public sector accounting standards, and the integrity and objectivity of the data in these financial statements are Management's responsibility. The financial statements include some amounts that are necessarily based on management's estimates and judgment. Financial information presented throughout the Annual Report is consistent with the financial statements.

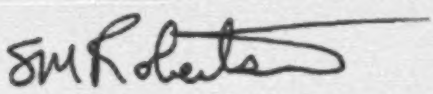
In discharging its responsibility for the integrity and fairness of the financial statements, Management has developed and maintains books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of the financial information; that assets are safeguarded and controlled; and that transactions are in accordance with the *Financial Administration Act* and regulations as well as the *Museums Act* and regulations and the by-laws of the Corporation.

The Board of Trustees is responsible for ensuring that Management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Audit Committee. Three Trustees of the Corporation comprise the Audit Committee. The Audit Committee meets with Management and the independent external auditor to review the manner in which the responsibilities for financial statements are being performed and to discuss auditing, internal controls and other relevant financial matters. The Audit Committee has reviewed the financial statements with the external auditor and has approved them.

The Corporation's external auditor, the Auditor General of Canada, examines the financial statements and reports to the Minister of Canadian Heritage and Official Languages, who is accountable to Parliament for the Canadian Museum for Human Rights.



Stuart A. Murray
President & Chief Executive Officer



Susanne Robertson, C.A.
Chief Financial Officer

June 20, 2012

Auditor General of Canada
Vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister of Canadian Heritage and Official Languages

Report on the Financial Statements

I have audited the accompanying financial statements of the Canadian Museum for Human Rights, which comprise the statements of financial position as at 31 March 2012, 31 March 2011 and 1 April 2010, the statements of operations, statements of changes in net assets and statements of cash flows for the years ended 31 March 2012 and 31 March 2011, and the statement of remeasurement gains and losses for the year ended 31 March 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained in my audits is sufficient and appropriate to provide a basis for my audit opinion.

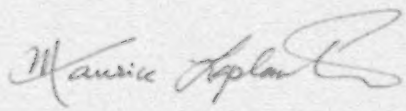
Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Canadian Museum for Human Rights as at 31 March 2012, 31 March 2011 and 1 April 2010, the results of its operations and its cash flows for the years ended 31 March 2012 and 31 March 2011, and its remeasurement gains and losses for the year ended 31 March 2012, in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act*, I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied, after giving retroactive effect to the adoption of the new standards as explained in Note 3 to the financial statements except for the change in the method of accounting for financial instruments and foreign currency translation, on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Canadian Museum for Human Rights that have come to my notice during my audits of the financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *Museums Act* and the by-laws of the Canadian Museum for Human Rights.



Maurice Laplante, CA
Assistant Auditor General
for the Auditor General of Canada

20 June 2012
Ottawa, Canada

STATEMENT OF FINANCIAL POSITION

(In thousands of dollars)

AS AT	MARCH 31, 2012	MARCH 31, 2011	APRIL 1, 2010
Assets			
Current assets:			
Cash	$ 4,972	$ 4,356	$ 737
Current portion of restricted cash and cash equivalents (note 4)	18,523	31,083	4,765
Current portion of restricted investments (note 4)	12,931	22,289	-
Accounts receivable (note 5)	1,358	1,496	522
Prepaid expenses and other assets	226	231	143
Current portion of holdback account (note 6)	9,884	4,114	1,155
	47,894	63,569	7,322
Restricted cash and cash equivalents (note 4)	-	-	39,724
Restricted investments (note 4)	-	29,908	43,490
Holdback account (note 6)	-	2,305	1,949
Capital assets (note 7):			
Assets in use	7,985	7,544	5,512
Assets under construction	227,464	143,318	71,558
Total Assets	**$ 283,343**	**$ 246,644**	**$ 169,555**
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued liabilities (note 8)	$ 11,166	$ 10,616	$ 5,571
Current portion of holdback account (note 6)	9,884	4,114	1,155
	21,050	14,730	6,726
Deferred contributions (note 10)	23,691	75,265	83,705
Deferred contributions related to capital assets (note 11)	230,470	145,883	72,091
Holdback payable (note 6)	-	2,305	1,949
Employee future benefits (note 9)	193	153	98
	254,354	223,606	157,843
Net assets:			
Unrestricted	3,263	3,329	7
Invested in capital assets (note 13)	4,979	4,979	4,979
Accumulated remeasurement gains and losses	(303)	-	-
	7,939	8,308	4,986
Contractual obligations and Contingencies (notes 17 and 18)			
Total Liabilities and Net Assets	**$ 283,343**	**$ 246,644**	**$ 169,555**

The accompanying notes and schedule form an integral part of the financial statements.

Approved by the Board of Trustees:

Eric Hughes
Interim Chairperson

Lisa Pankratz
Chair, Audit Committee

June 20, 2012

STATEMENT OF OPERATIONS

(In thousands of dollars)

YEAR ENDED MARCH 31,	2012	2011
Revenue:		
Other income	$ 61	$ 36
Total revenue	61	36
Expenses (schedule 1):		
Museum content and program	4,222	3,853
Permanent building and temporary accommodation	1,571	1,218
Stewardship and corporate management	5,128	5,264
Total expenses	10,921	10,335
Excess of expenses over revenue before parliamentary appropriations	(10,860)	(10,299)
Parliamentary appropriations (note 12)	10,794	13,621
Excess of (expenses over revenue) revenue over expenses after parliamentary appropriations	**$ (66)**	**$ 3,322**

The accompanying notes and schedule form an integral part of the financial statements.

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

(In thousands of dollars)

YEAR ENDED MARCH 31,	2012
Accumulated remeasurement gains and losses, beginning of year	$ -
Accumulated unrealized loss reclassified from deferred contributions	(498)
Unrealized gains (losses) attributable to:	
Foreign exchange	85
Investments	(1,034)
Amounts reclassified to the Statement of Operations:	
Foreign exchange	(6)
Amounts reclassified to deferred contributions:	
Investments	1,150
Net remeasurement loss for the year	(303)
Accumulated remeasurement gains and losses, end of year	**$ (303)**

The accompanying notes and schedule form an integral part of the financial statements.

STATEMENT OF CHANGES IN NET ASSETS

(In thousands of dollars)

	Unrestricted	Invested in capital assets	Accumulated remeasurment gains and losses	Total
Balance at April 1, 2010	$ 7	$ 4,979	$ -	$ 4,986
Excess of revenue over expenses after parliamentary appropriations	3,322	-	-	3,322
Balance at March 31, 2011	$ 3,329	$ 4,979	$ -	$ 8,308
Excess of expenses over revenue after parliamentary appropriations	(66)	-	-	(66)
Net change in accumulated remeasurement gains and losses	-	-	(303)	(303)
Balance at March 31, 2012	**$ 3,263**	**$ 4,979**	**$ (303)**	**$ 7,939**

The accompanying notes and schedule form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

(In thousands of dollars)

YEAR ENDED MARCH 31,	2012	2011
Operating activities:		
Cash receipts (parliamentary appropriations)	$ 10,438	$ 13,129
Cash receipts (other income)	51	36
Cash payments to and on behalf of employees	(5,590)	(5,011)
Cash payments to suppliers	(5,017)	(4,547)
	(118)	3,607
Capital activities:		
Acquisition of assets under construction	(84,072)	(67,301)
Acquisition of assets in use	(237)	(2,302)
	(84,309)	(69,603)
Investing activities:		
Proceeds from disposals and redemptions of investments	52,003	84,173
Investments	(13,770)	(94,205)
Revaluation of US currency	80	(91)
	38,313	(10,123)
Financing activities:		
Parliamentary appropriation for the acquisition of capital assets in use	921	2,302
Government of Canada funding for assets under construction and related investment income	11,564	40,865
Contributions from non-government sources for assets under construction and related investment income	21,685	23,165
	34,170	66,332
Decrease in cash and cash equivalents	(11,944)	(9,787)
Cash and cash equivalents, beginning of year		
Operating cash	4,356	737
Restricted cash and cash equivalents	31,083	44,489
	35,439	45,226
Cash and cash equivalents, end of year		
Operating cash	4,972	4,356
Restricted cash and cash equivalents	18,523	31,083
	$ 23,495	**$ 35,439**

The accompanying notes and schedule form an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

(In thousands of dollars, unless otherwise noted)

1. AUTHORITY AND MANDATE:

The Canadian Museum for Human Rights (the "Corporation") was established through amendments to the *Museums Act* on August 10, 2008 and is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act*. The Corporation is not subject to income tax under the provisions of the *Income Tax Act*.

The Canadian Museum for Human Rights, being built in Winnipeg, Manitoba, was the first national museum to be located outside of the National Capital Region at the time of its creation and the first to be constructed with funding from levels of government other than the Government of Canada. The Province of Manitoba, the City of Winnipeg, and the Friends of the Canadian Museum for Human Rights (the "Friends of CMHR") (representing private sector donors) are also funding the Capital Project (building and exhibits). A Definitive Agreement, setting forth the terms, provisions and conditions for the parties' undertakings, including the transfer of land, was signed by all parties on February 1, 2008. The Canadian Museum for Human Rights reports to Parliament through the Minister of Canadian Heritage and Official Languages.

The mandate, as stated in the amendments to the *Museums Act*, is as follows:

"to explore the subject of human rights, with special but not exclusive reference to Canada, in order to enhance the public's understanding of human rights, to promote respect for others and to encourage reflection and dialogue."

The operations of the Corporation are divided into three mutually supportive activities which work together to meet all aspects of its mandate. These activities and their respective descriptions are:

Museum Content and Program:

Objective: That the Museum's content and programming is objective, innovative and accessible and affects the way people think and behave towards the rights of others, and that it is developed through ongoing community and engagement.

Permanent Building and Temporary Accommodation:

Objective: That all aspects of the Building Construction Project are managed in a fiscally sound, transparent and accountable manner, ensuring environmental stewardship and employing effective project and risk-management practices throughout.

Stewardship and Corporate Management:

Objective: That the Museum adopts sound and efficient governance and stewardship practices that facilitate the alignment of resources with priorities and full accountability and transparency to Canadians for results; and that the Museum recruits and retains the necessary human resources both for the start-up and the longer-term.

2. SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of presentation:

These financial statements have been prepared in accordance with the 4200 series of CICA Public Sector Accounting Standards (PSAS) for government not-for-profit organizations as issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). The Corporation applies the deferral method of accounting for contributions for not-for-profit organizations. This is the first time the Corporation has prepared its annual financial statements in accordance with PSAS, having prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles (Canadian GAAP). Details of how the transition from Canadian GAAP to PSAS has affected the financial position and financial performance are disclosed in note 3.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

(a) Basis of presentation (continued):

First time adoption of Public Sector Accounting for Government Not-for-Profit Organizations (PSA-GNPO):

PS 2125 First-time adoption by Government Organizations requires that comparative financial information be provided and that the Public Sector Accounting Standards be applied retrospectively as of the reporting date, which for the Corporation is March 31, 2012. However, PS 2125 provides for certain optional exemptions and mandatory exceptions for first time adopters.

The PS2125 applicable exemptions and exceptions applied in the conversion from Canadian GAAP to PSA-GNPO are as follows:

Optional exemptions:

The Corporation has not elected any optional exemptions.

Mandatory exceptions:

Accounting estimates

The estimates previously made by the Corporation under Canadian GAAP were not revised for the application of PSA-GNPO except where necessary to reflect differences in accounting policy. As a result, the Corporation has not used hindsight to revise estimates.

(b) Financial assets and financial liabilities:

Cash, cash equivalents, investments and the Holdback account are classified in the fair value category. These financial assets are recorded at fair value through the Statement of Remeasurement Gains and Losses as determined by reference to their quoted bid price at the reporting date. Fair value adjustments to investments of restricted and non-restricted cash are recorded on the Statement of Remeasurement Gains and Losses. Purchases of investments are recorded on the Statement of Financial Position on the settlement date.

Cash equivalents are assets that are readily convertible into cash, such as money market holdings, short term government bonds or treasury bills, marketable securities and commercial paper. Cash equivalents are distinguished from other investments through their short-term existence as they have original maturities of three months or less.

Accounts receivable, and Accounts payable and accrued liabilities are classified as Loans and receivables in the amortized cost category. After the initial fair value measurement, they are measured at amortized cost using the effective interest rate method with changes in value recorded in the Statement of Operations.

(c) Capital assets:

Property and equipment owned by the Corporation are valued at cost, net of accumulated amortization.

Amortization is calculated using the straight-line method, over the estimated useful lives of assets as follows:

Asset	Useful Life
Leasehold improvements	Lesser of term of lease and 5 years
Furniture and equipment	3 to 10 years
Website development	2 to 5 years
Computer equipment, hardware and software	3 to 5 years

(d) Employee future benefits:

i) *Pension benefits:*

Substantially all of the employees of the Corporation are covered by the Public Service Pension Plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service cost. Pursuant to legislation currently in place, the Corporation has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Corporation.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

(d) Employee future benefits (continued):

ii) Sick leave benefits:

The Corporation provides sick leave benefits for employees that accumulate but do not vest. The cost of the accrued benefit obligations related to sick leave entitlement earned by employees is determined by Management's best estimate considering assumptions based on employee demographics and sick leave usage of active employees.

iii) Maternity/Paternity benefits:

Employees are entitled to maternity/paternity benefits as provided for under labour contracts and conditions of employment. The cost of these benefits is accrued as the employees render the services necessary to earn them. Management determined the accrued benefit obligation using a method based upon assumptions and best estimates relating to anticipated maternity/paternity leave.

(e) Revenue recognition:

i) Parliamentary appropriations:

The Government of Canada provides funding to the Corporation through Parliamentary appropriations.

Parliamentary appropriations that are not restricted to a specific purpose are recognized in revenue on the Statement of Operations in the year for which the appropriation is authorized.

Parliamentary appropriations which are explicitly or implicitly restricted for the purchase of capital assets subject to amortization are deferred and recognized as revenue on the same basis and over the same periods as the related capital assets acquired.

Restricted investment income is recognized as income in the Statement of Operations in the year that the related expenditures are recognized.

ii) Assistance from other governments:

Funding may be provided by various levels of government, other than the Government of Canada.

Unrestricted government funding is recognized as Assistance from other governments on the Statement of Operations when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Assistance from other governments which is explicitly or implicitly restricted for the purchase of capital assets subject to amortization are deferred and recognized as revenue on the same basis and over the same periods as the related capital assets acquired.

ii) Assistance from other governments (continued):

Assistance from other governments restricted for specific purposes is deferred on the Statement of Financial Position and recognized as revenue on the Statement of Operations in the year in which the related expenditures are recognized.

Restricted investment income is recognized as income in the Statement of Operations in the year that the related expenditures are recognized.

iii) Donations:

Donations are comprised of contributions received from non-government entities that are not part of the federal government reporting entity, such as individuals, foundations and corporations.

Unrestricted contributions are recognized as revenue on the Statement of Operations when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions which are explicitly or implicitly restricted for the purchase of capital assets subject to amortization are deferred and recognized as revenue on the same basis and over the same periods as the related capital assets acquired.

Contributions externally restricted for specific purposes are deferred on the Statement of Financial Position and recognized as revenue on the Statement of Operations in the year in which the related expenditures are recognized.

Restricted investment income is recognized as income in the Statement of Operations in the year that the related expenditures are recognized.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. REVENUE ACCOUNTING POLICIES (CONTINUED):

(e) Revenue recognition (continued):

(v) *Contributions-in-kind:*

Contributions-in-kind are recognized as revenue on the Statement of Operations when the fair value can be reasonably estimated and the services and goods are used in the normal course of business and would otherwise have been purchased. Contributions-in-kind related to capital assets subject to amortization are recorded as deferred contributions related to capital assets on the Statement of Financial Position.

Contributions-in-kind related to capital assets subject to amortization are recorded as deferred contributions related to capital assets on the Statement of Financial Position. Contributions-in-kind related to capital assets not subject to amortization are recorded as net assets invested in capital assets on the Statement of Financial Position.

Contributions-in-kind are recorded at the fair value of the asset received.

(f) Expenses:

Expenses in the Statement of Operations are directly allocated by attribute to each of the activities described in note 1.

(g) Foreign exchange:

Monetary assets and liabilities denominated in US dollars are translated into Canadian dollars using the exchange rate at the Statement of Financial Position date. Foreign exchange is recorded on US dollar denominated transactions at the noon exchange rate on the invoice payment date.

Realized foreign currency gains and losses are recorded in Other income on the Statement of Operations.

Unrealized foreign currency gains and losses on monetary assets are recorded on the Statement of Remeasurement Gains and Losses.

(h) Friends of the Canadian Museum for Human Rights:

The Corporation and the Friends of the Canadian Museum for Human Rights are related by virtue of the Corporation's significant influence over the Friends of CMHR. The Friends of CMHR is a separate legal entity, with a mandate to seek and obtain major donations to support the Corporation's mandate and assist in achieving the Corporation's vision. The financial statements of the Friends of CMHR have been audited but have not been consolidated in the Corporation's financial statements.

(i) Measurement uncertainty:

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses for the year. Accrued liabilities, contingent liabilities, and estimated useful lives of property and equipment are the most significant items where estimates are used. Actual results could differ significantly from those estimates. These estimates are reviewed quarterly and as adjustments become necessary, they are recorded in the financial statements in the period which they become known.

3. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS:

Effective April 1, 2011, the Corporation adopted the Canadian Public Sector Accounting Standards applicable to government not-for-profit organizations (GNPO). These amended standards were retrospectively adopted and therefore the 2011 comparative figures have been restated. In addition, effective April 1, 2011 the Corporation early adopted Section PS 3450 Financial Instruments, and PS 2601 Foreign Currency Translation on a prospective basis, without restatement of 2011 comparative figures. Key adjustments resulting from the adoption of these accounting standards are as follows:

(a) Assets under construction represent the costs of construction of the Museum building and are included in the definition of a capital asset under Section PS 4230 Capital assets held by not-for-profit organizations. An adjustment was made to the March 31, 2011 and April 1, 2010 financial statements to reclassify the carrying value of the Assets under construction of $143,318 and $71,558 respectively to Capital assets: Assets under construction.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS (CONTINUED):

(b) Other comprehensive income is not recognized under PSAS. Consequently, Other comprehensive income and Comprehensive income are no longer reported on the Corporation's Statement of Operations. The fiscal 2011 financial statements have been adjusted to record amounts previously recognized as Other comprehensive income as Deferred contributions and Net assets: Invested in capital assets.

As a result, previously reported Accumulated other comprehensive income of $50,589 at March 31, 2011 (and opening Accumulated other comprehensive income of $73,570) has been reclassified to Deferred contributions ($45,610) and Net assets: Invested in capital assets ($4,979). The Other comprehensive loss of $22,981 previously recognized in 2011 has been reversed.

(c) The March 31, 2011 financial statements have been adjusted to reclassify Deferred contributions related to capital assets of $29,655 to Deferred contributions and to reclassify Deferred parliamentary appropriations of $2,565 to Deferred contributions related to capital assets to be consistent with the presentation requirements under PSAS.

(d) The Corporation made an adjustment to the 2011 financial statements with respect to the accounting for employee future benefits. Specifically, this adjustment related to the following accounting policy differences:

i) Sick leave:

Previously, the Corporation was not required to record an accrued benefit obligation related to sick leave benefits as the benefits do not vest. Canadian Public Sector Accounting Standards applicable for government not-for-profit organizations require that a liability and an expense be recognized for post-employment benefits and compensated absences that vest or accumulate in the year in which employees render services to the Corporation in return for the benefits. An adjustment was made to the March 31, 2011 financial statements to recognize a liability and an expense related to accumulated sick leave entitlement.

ii) Maternity/Paternity leave

Canadian Public Sector Accounting Standards applicable for government not-for-profit organizations require that a liability and an expense be recognized for post-employment benefits and compensated absences that vest or accumulate in the year in which employees render services to the Corporation in return for the benefits. An adjustment was made to the March 31, 2011 financial statements to recognize a liability and an expense related to maternity/paternity leave.

The resulting increase to the liability for employee future benefits at April 1, 2010 was $98. The liability for employee future benefits recorded at March 31, 2011 was increased by $55.

(e) Remeasurement gains and losses are recognized on the Statement of Remeasurement Gains and Losses under PSAS. As provided for in the transitional provisions of Sections PS 3450 Financial Instruments and PS2601 Foreign Currency Translation, the March 31, 2011 financial statements have not been adjusted retrospectively. Remeasurement gains and losses are presented in accordance with the accounting policies applied by the Corporation as of April 1, 2011.

(f) Retained earnings are presented as Net assets under PSAS and are classified as Net assets: Unrestricted or Net assets: Invested in capital assets. The March 31, 2011 financial statements have been adjusted to reclassify Retained earnings at the beginning and end of the year to Net assets: Unrestricted and Net assets: Invested in capital assets.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS (CONTINUED):

Reconciliation of the March 31, 2011 Statements of Financial Position and Operations:

	March 31, 2011 (CICA Handbook)	Adjustments	March 31, 2011 (PSA Handbook and 4200 Series)
Statement of Financial Position:			
Assets:			
Assets under construction (a)	$ 143,318	$ (143,318)	$ -
Capital assets: Assets under construction (a)	-	143,318	143,318
Liabilities:			
Deferred contributions related to capital assets (c)	172,973	(27,090)	145,883
Deferred parliamentary appropriations (c)	2,565	(2,565)	-
Deferred contributions (b,c)	-	75,265	75,265
Employee future benefits, beginning of year (d)	-	98	98
Employee future benefits, end of year (d)	-	153	153
Net Assets:			
Retained earnings (e)	3,482	(3,482)	-
Accumulated other comprehensive income (b)	50,589	(50,589)	-
Unrestricted (e,d)	-	3,329	3,329
Invested in capital assets (b,e)	-	4,979	4,979
	54,071	(45,763)	8,308
Statement of Operations:			
Total revenues	13,657	-	13,657
Total expenses (d)	10,280	55	10,335
Other comprehensive loss (b)	(22,981)	22,981	-

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS (CONTINUED):

Reconciliation of the April 1, 2010 Statement of Financial Position:

	April 1, 2010 (CICA Handbook)	Adjustments	April 1, 2010 (PSA Handbook and 4200 Series)
Statement of Financial Position:			
Assets:			
Assets under construction (a)	$ 71,558	$ (71,558)	$ -
Capital assets: Assets under construction (a)	-	71,558	71,558
Liabilities:			
Deferred contributions related to capital assets (c)	86,673	(14,582)	72,091
Deferred parliamentary appropriations (c)	532	(532)	-
Deferred contributions (b,c)	-	83,705	83,705
Employee future benefits, beginning of year (d)	-	-	-
Employee future benefits, end of year (d)	-	98	98
Net Assets:			
Retained earnings (e)	105	(105)	-
Accumulated other comprehensive income (b)	73,570	(73,570)	-
Unrestricted (e, d)	-	7	7
Invested in capital assets (b,e)	-	4,979	4,979
	73,675	(68,689)	4,986

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS:

Restricted cash, cash equivalents and investments are restricted for use in the Capital Project and arise from contributions received from non-government entities, assistance from other governments and Parliamentary appropriations.

March 31,	2012				2011	
	Cost	Unrealized losses	Interest receivable	Fair value	Cost	Fair value
Restricted cash	$ 901	$ (38)	$ -	$ 863	$ 1,897	$ 1,897
Cash equivalents						
Government of Canada T-bills	4,635	-	18	4,653	8,847	8,862
Provincial T-bills	11,768	-	11	11,779	18,210	18,227
Promissory Notes	1,227	-	1	1,228	2,096	2,097
Sub-total - Cash equivalents	17,630	-	30	17,660	29,153	29,186
Sub-total - Cash and cash equivalents	18,531	(38)	30	18,523	31,050	31,083
Investments						
Government of Canada Bonds	-	-	-	-	2,752	2,751
Provincial Bonds	-	-	-	-	7,436	7,266
Asset-Backed Securities	-	-	-	-	15,287	15,184
Corporate Bonds	13,221	(290)	-	12,931	23,585	23,484
Mortgage-Backed Securities	-	-	-	-	3,545	3,512
Sub-total - Investments	13,221	(290)	-	12,931	52,605	52,197
	$ 31,752	$ (328)	$ 30	$ 31,454	$ 83,655	$ 83,280
Restricted cash and cash equivalents:						
Short-term portion				$ 18,523		$ 31,083
Long-term portion				-		-
				$ 18,523		$ 31,083
Restricted investments						
Short-term portion				$ 12,931		$ 22,289
Long-term portion				-		29,908
				$ 12,931		$ 52,197

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED):

The change in restricted cash, cash equivalents and investments is comprised of the following:

Year ended March 31,	2012	2011
Balance, beginning of year	$ 83,280	$ 87,979
Add contributions received during the year	30,160	62,130
Change in deferred bond interest receivable	554	(675)
Add deferred interest income	1,972	1,956
Less deferred realized loss on investments	(1,150)	(767)
Add unrealized gain (loss) on cash	54	(91)
Add unrealized gain (loss) on investments	116	(357)
Less amounts used to purchase capital assets	(83,532)	(66,895)
Balance, end of year	$ 31,454	$ 83,280

5. ACCOUNTS RECEIVABLE:

March 31,	2012	2011
Refundable taxes	$ 522	$ 558
Contributions due from Friends of CMHR	500	-
Interest	157	711
Government appropriations	99	223
Other	80	4
	$ 1,358	$ 1,496

The carrying amounts of the Corporation's accounts receivable approximate their fair values due to their short term nature.

6. HOLDBACK CASH ACCOUNT:

In accordance with the construction contract for the Museum building and the *Builder's Lien Act* of Manitoba, the Corporation is required to holdback 7.5% of progress billings. These amounts are restricted in nature and recorded as an asset and liability. The restricted funds will be paid out upon certified completion of the subcontracts in accordance with the *Builder's Lien Act* of Manitoba. The total holdback cash account balance and related liability at March 31, 2012 was $9.9 million (March 31, 2011 - $6.4 million), of which $9.9 million (March 31, 2011 - $4.1 million) is current.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. CAPITAL ASSETS:

March 31, 2012

	Cost	Accumulated amortization	Net book value
Land	$ 4,979	$ -	$ 4,979
Computer equipment, hardware and software	3,124	213	2,911
Leasehold improvements	563	536	27
Furniture and equipment	152	84	68
Website development	70	70	-
Sub-total - Assets in use	8,888	903	7,985
Assets under construction	227,464	-	227,464
	$ 236,352	$ 903	$ 235,449

March 31, 2011

	Cost	Accumulated amortization	Net book value
Land	$ 4,979	$ -	$ 4,979
Computer equipment, hardware and software	2,272	38	2,234
Leasehold improvements	510	324	186
Furniture and equipment	151	33	118
Website development	70	43	27
Sub-total - Assets in use	7,982	438	7,544
Assets under construction	143,318	-	143,318
	$ 151,300	$ 438	$ 150,862

On April 15, 2009, the Corporation acquired land for the Museum project from the City of Winnipeg and The Forks Renewal Corporation. The ownership of land reverts back to the City of Winnipeg and The Forks Renewal Corporation when the land is no longer used for the purposes of the Museum, or such other purposes as approved by the previous owners. The Corporation's Management estimated that the Museum's river-front parcel should be valued at $4.9 million plus related legal costs based on the information provided by an independent market evaluation.

The amortization expense for the year ended March 31, 2012 is $469 (year ended March 31, 2011 - $270).

Assets under construction represent costs incurred for the development and construction of the Capital Project. The assets under construction are comprised of the following costs incurred to date:

March 31,	2012	2011
Building design and construction	$ 219,732	$ 137,825
Exhibit design	7,732	5,493
	$ 227,464	$ 143,318

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

March 31,	2012	2011
Assets under construction accounts payable	$ 8,788	$ 8,743
Trade accounts payable	955	1,126
Employee accounts payable	737	746
Capital assets in use accounts payable	686	1
	$ 11,166	$ 10,616

The carrying amounts of accounts payable and accrued liabilities approximate their fair values due to their short term nature.

9. EMPLOYEE FUTURE BENEFITS:

(a) Pension benefits:

Substantially all of the employees of the Corporation are covered by the Public Service Pension Plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution rate for employees effective at March 31, 2012 was 6.2% (March 31, 2011 – 5.8%). Total contributions of $581 were recognized as an expense for the year ended March 31, 2012 (year ended March 31, 2011 - $567).

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

(b) Sick leave and maternity/paternity benefits:

The Corporation provides sick leave benefits for employees that accumulate but do not vest. The cost of the accrued benefit obligations related to sick leave entitlement earned by employees is determined using Management's best estimates considering assumptions based on employee demographics and sick leave usage of active employees.

The Corporation provides maternity/paternity benefits for benefits as provided for under labour contracts and conditions of employment. The cost of the accrued benefit obligations related to maternity/paternity entitlement earned by employees is determined using Management's best estimates.

Information about the plans, measured as at year end, is as follows:

YEAR ENDED MARCH 31,	2012	2011
Accrued benefit obligations, beginning of the year	$ 153	$ 98
Cost of benefits related to the year	125	169
Benefits paid during the year	(85)	(114)
Accrued benefit obligations, end of the year	$ 193	$ 153

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

10. DEFERRED CONTRIBUTIONS:

Parliamentary appropriations and contributions received from non-government entities and other governments that are restricted for use are recorded in Deferred contributions and are transferred to Deferred contributions related to capital assets as the funds are used for the Capital Project.

Deferred contributions recorded by the Corporation are as follows:

MARCH 31,	2012	2011
Deferred contributions from the Government of Canada restricted for use in the Capital Project	$ 9,961	$ 29,655
Deferred contributions from non-government and other government sources restricted for use in the Capital Project	13,730	45,610
Deferred contributions	$ 23,691	$ 75,265

Changes in the deferred contributions balance during the year were as follows:

YEAR ENDED MARCH 31,	2012	2011
Balance, beginning of year	$ 75,265	$ 83,705
Add restricted contributions received:		
Government of Canada	10,000	40,000
Non-government sources	20,660	22,158
Add deferred investment income	822	741
Accumulated unrealized losses reclassified to the Statement of Remeasurement Gains and Losses (note 3)	498	-
Less amounts transferred to deferred contributions related to capital assets:		
Government of Canada funding	(30,090)	(25,671)
Province of Manitoba funding	(14,967)	(12,146)
City of Winnipeg funding	(6,169)	(5,037)
Capital contributions from Friends of CMHR	(32,328)	(28,485)
Balance, end of year	$ 23,691	$ 75,265

11. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS:

(a) Deferred contributions related to capital assets is composed of:

MARCH 31,	2012	2011
Deferred contributions for assets under construction - Government of Canada	$ 93,097	$ 62,445
Deferred contributions for equipment subject to amortization - Government of Canada	3,006	2,565
Deferred contributions - Province of Manitoba	41,356	26,389
Deferred contributions - City of Winnipeg	16,971	10,802
Deferred contributions - Friends of CMHR	76,040	43,682
	$ 230,470	$ 145,883

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

11. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (CONTINUED):

(a) Deferred contributions related to capital assets is composed of (continued):

i) Government of Canada - Parliamentary appropriations:

Deferred contributions represent the unamortized portion of parliamentary appropriations from the Government of Canada used to pay for assets under construction and equipment subject to amortization. Deferred contributions are recognized as parliamentary appropriation revenue on the same basis and over the same periods as the related capital asset is amortized.

ii) Assistance from other governments:

Deferred contributions represent the unamortized portion of assistance from other governments used to pay for assets under construction. Deferred contributions are recognized as revenue on the same basis and over the same periods as the related capital asset is amortized.

iii) Deferred contributions (from non-government sources):

Deferred contributions (from non-government sources) represent the unamortized portion of contributions used to pay for assets under construction. Deferred contributions are recognized as contribution revenue on the same basis and over the same periods as the related capital asset is amortized.

(b) Changes in the deferred contributions related to capital assets are composed of:

YEAR ENDED MARCH 31,	2012	2011
Balance, beginning of year	$ 145,883	$ 72,091
Government contributions:		
Government of Canada funding transferred from deferred contributions	30,090	25,671
Other Government of Canada assistance	1,472	2,722
Assistance from other governments:		
Province of Manitoba funding transferred from deferred contributions	14,967	12,146
City of Winnipeg funding transferred from deferred contributions	6,169	5,037
Non-government contributions:		
Capital contributions from Friends of CMHR transferred from deferred contributions	32,328	28,486
Capital contributions-in-kind from Friends of CMHR	30	-
Amortization of deferred contributions related to capital assets:		
Government of Canada	(469)	(270)
Balance, end of year	$ 230,470	$ 145,883

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

12. PARLIAMENTARY APPROPRIATIONS:

YEAR ENDED MARCH 31,	2012	2011
Main estimates amount provided for operating and capital expenditures	$ 21,700	$ 15,850
Re-profiling of estimates for construction of capital assets	(10,000)	-
Reimbursement of paylist expenditures	99	222
Amounts used to purchase capital assets	(1,474)	(2,721)
Amortization of deferred contributions related to capital assets – Government of Canada	469	270
	$ 10,794	$ 13,621

13. NET ASSETS INVESTED IN CAPITAL ASSETS:

The net investment in capital assets consists of the land donated by the City of Winnipeg and The Forks Renewal Corporation as follows:

MARCH 31,	2012	2011
Capital assets	$ 235,449	$ 150,862
Less amounts financed by deferred contributions related to capital assets	(230,470)	(145,883)
	$ 4,979	$ 4,979

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

14. FRIENDS OF THE CANADIAN MUSEUM FOR HUMAN RIGHTS:

The Friends of the Canadian Museum for Human Rights Inc. (the "Friends of CMHR") was established by Israel Asper, O.C., O.M., Q.C., L.L.D. to act as the project proponent for the establishment of the Canadian Museum for Human Rights. The Friends of CMHR was incorporated under the *Canada Corporations Act* on March 21, 2002 and is a registered charity under the *Income Tax Act* since September 18, 2002. Although the Friends of CMHR is a separate legal entity from the Canadian Museum for Human Rights, it is a related entity as the Corporation exercises significant influence over their operations, financing, and strategic planning.

Currently, the Friends of CMHR raise funds from individuals, foundations, governments and corporations to support the Capital Project for the Corporation. The Friends of CMHR will be responsible for funding its operating expenditures through private sector donations and other revenue. Upon completion of the Museum building, the Corporation shall license space and services including security, janitorial, information technology support and other services and amenities at a fee of $1.00 per annum. For the year ended March 31, 2012, indirect administrative support costs of approximately $0.1 million were incurred by the Corporation (2011 - nil). The amounts contributed to the Corporation by the Friends of CMHR are recorded as Deferred contributions on the Statement of Financial Position and are transferred to Deferred contributions related to capital assets as the funds are used for the Capital Project. In the future, the focus of fundraising will shift to endowment requirements and restricted or unrestricted funding for programming. Contributions from Friends of CMHR that are restricted for a specific purpose will be deferred and recognized as the related expenditures are incurred. Unrestricted contributions will be recognized as revenue in the year received.

15. FINANCIAL RISK MANAGEMENT:

The Corporation has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

The Audit Committee's mandate includes ensuring that the Corporation has identified its major risks and ensures that management monitors and controls them. The Board oversees the Corporation's systems and practices of internal control, and ensures that these controls contribute to the assessment and mitigation of risk.

(a) Credit risk:

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Corporation consisting of restricted cash, cash equivalents and investments as well as accounts receivable.

The maximum exposure to credit risk of the Corporation at March 31, 2012 is the carrying value of these assets.

(i) Accounts receivable:

The Corporation's exposure to credit risk associated with accounts receivable is influenced mainly by the demographics of the Corporation's debtors, including the risk associated with the type of debtor. The Corporation's accounts receivable balance as at March 31, 2012 is comprised mainly of refundable GST due from the Government of Canada and funds due from the Friends of CMHR, and is current. No allowance for doubtful accounts has been recorded by the Corporation as at March 31, 2012.

(ii) Cash, cash equivalents and investments:

The Corporation manages its credit risk surrounding cash, cash equivalents and investments by dealing solely with reputable banks and financial institutions, and utilizing an investment policy approved by the Board of Directors to guide their investment decisions.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

15. FINANCIAL RISK MANAGEMENT (CONTINUED):

(a) Credit risk (continued):

(iii) Cash, cash equivalents and investments (cont.):

Investments are limited to short-term highly liquid cash equivalents issued by governments and their agencies or corporations maturing within one year or fixed income investments beyond one year. They must be denominated in Canadian dollars and maintain the following credit ratings of the Dominion Bond Rating Service, Standard & Poor's Rating Services or a recognized rating agency:

Cash equivalents must be rated R-1 low or A1 low or equivalent;

Government Bonds must be rated A or better; and

Corporate Bonds must be rated AA low or better.

No part of the portfolio may be invested in equities, options, futures or derivative products.

(b) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return.

(i) Currency risk:

The Corporation's financial assets and liabilities are in Canadian dollars which is the functional currency of the Corporation. Foreign exchange risk may arise from certain contracts related to the Capital Project which may be denominated in foreign currencies, specifically the US dollar. At March 31, 2012 the Corporation did not have any material foreign currency risks.

The Corporation purchased US dollars during the year in order to mitigate foreign exchange risk on US denominated contracts.

Although management monitors exposure to such fluctuations, it does not employ any external hedging strategies to counteract the foreign currency fluctuations. The effect of fluctuations in foreign exchange rates on the financial statements is insignificant.

(ii) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

Financial assets and financial liabilities with variable interest rates expose the Corporation to cash flow interest rate risk. The Corporation's restricted cash, cash equivalents and investments mainly include short-term, highly liquid investments that earn interest at fixed rates. The Corporation does not have any debt instruments at March 31, 2012.

The Corporation manages its interest rate risk by maintaining a mix of highly liquid investments. The Corporation has contracted an investment manager in the fiscal year ended March 31, 2011 in order to further manage interest rate risk.

(c) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due.

The Corporation manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

At March 31, 2012, the Corporation had cash and cash equivalents of $23.5 million (March 31, 2011 - $35.4 million) and current portion of holdback account asset of $9.9 million (March 31, 2011 - $4.1 million).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

15. FINANCIAL RISK MANAGEMENT (CONTINUED):

(c) Liquidity risk (continued):

The maturities of the Corporation's financial liabilities at March 31, 2012 are estimated by management to be as follows:

Accounts payable and accrued liabilities
$11.2 million Due within 1 year

Current portion holdback account
$9.9 million Due within 1 year

Employee future benefits
$0.2 million Due after 1 year

(d) Fair value measurement hierarchy:

All financial instruments must be classified in accordance with the significance of the inputs used in making fair value measurements. The fair value hierarchy prioritizes the valuation techniques used to determine the fair value of a financial instrument based on whether the inputs to those techniques are observable or unobservable:

(i) *Level 1* - Financial instruments are considered Level 1 when valuation can be based on quoted prices in active markets for identical assets and liabilities.

(ii) *Level 2* - Financial instruments are considered Level 2 when they are valued using quoted prices for similar assets and liabilities, quoted prices in markets that are not active, or models using inputs that are observable.

(iii) *Level 3* - Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

All of the Corporation's financial assets and liabilities presented as fair value are classified as Level 1 -quoted prices (unadjusted) in active markets for identical assets or liabilities. There were no transfers between levels for the year ended March 31, 2012.

16. RELATED PARTY TRANSACTIONS:

The Corporation is related to the Friends of the Canadian Museum of Human Rights Inc. (as disclosed in note 14) and all Government of Canada departments, agencies and Crown corporations. The Corporation enters into transactions with these entities in the normal course of business.

These transactions are measured at the fair value amount, which is the amount of consideration established and agreed to by the related parties. The Corporation incurred expenses totaling $1.2 million for personnel costs and facilities and recorded operating revenue of $10.8 million for parliamentary appropriations from related parties for the year ended March 31, 2012. (Year ended March 31, 2011 - $1.0 million and $13.6 million, respectively.)

The Corporation incurred expenses totaling $1.4 million for personnel costs for the Board of Trustees and Senior Management for the year ended March 31, 2012. (Year ended March 31, 2011 - $1.4 million.) These transactions are recorded at fair value.

As at March 31, 2012 the Corporation recorded the following amounts on the Statement of Financial Position for transactions with related parties:

MARCH 31,	2012	2011
Accounts receivable	$ 1,123	$ 792
Prepaid expenses and other assets	25	25
Restricted cash and cash equivalents	4,653	11,613
Accounts payable and accrued liabilities	143	68
Deferred contributions	23,691	54,507
Deferred contributions related to capital assets	172,143	108,692

The Corporation recorded cash contributions for the Capital Project from related parties of $30.7 million for the year ended March 31, 2012. (Year ended March 31, 2011 - $62.1 million.) These amounts are included in Deferred contributions and Deferred contributions related to capital assets on the Statement of Financial Position.

As at March 31, 2012, there were no contractual obligations with related parties.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

17. CONTRACTUAL OBLIGATIONS:

As at March 31, 2012, the Corporation had entered into long-term contracts for equipment and services with a remaining value of $1.5 million (2011 - $1.7 million). As of March 31, 2012, the Corporation has also entered into long-term contracts for $261.1 million (2011 - $235.4 million) relating to construction services for the Capital Project with a remaining commitment of $45.4 million (2011 - $98.5 million). The Base Building is planned for completion in 2012.

The future minimum payments for both construction and operational contracts are as follows:

2012-2013	$ 46,209
2013-2014	602
2014-2015	81
2015-2016	36
2016-2017	-
	$ 46,928

18. CONTINGENCIES:

In the normal course of its operations, the Corporation may become involved in various claims or legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, a liability will be accrued and an expense recorded in the Corporation's financial statements.

There are no outstanding claims against the Corporation and no amount has been included in the Statement of Financial Position as at March 31, 2012.

19. COMPARATIVE FIGURES:

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

Schedule 1 – Expenses

Year ended March 31,	2012	2011
Personnel costs	$ 5,620	$ 5,384
Professional and special services	1,718	1,242
Office supplies and administration	777	830
Facilities	688	548
Marketing and promotion	601	621
Exhibit content development	562	677
Amortization of capital assets	469	270
Travel	257	519
Computers and furniture	229	244
Total expenses	**$ 10,921**	**$ 10,335**